

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

JOHN HANCOCK LIFE INSURANCE
COMPANY, JOHN HANCOCK
VARIABLE LIFE INSURANCE
COMPANY and MANULIFE
INSURANCE COMPANY,

Plaintiffs,

v.

ABBOTT LABORATORIES,

Defendant.

CIVIL ACTION NO. 05-11150-DPW

**ABBOTT'S DEPOSITION DESIGNATIONS AND COUNTER DESIGNATIONS
FOR THOMAS WOIDAT**

Defendant Abbott Laboratories ("Abbott") respectfully submits the attached deposition designations and counter-designations for the April 10, 2007 deposition of Thomas Woidat, Senior Manager Global Financial Operations.

Dated: February 18, 2008

Respectfully submitted,

ABBOTT LABORATORIES

By: /s/ Eric J. Lorenzini
Eric J. Lorenzini

Jeffrey I. Weinberger (*pro hac vice*)
Gregory D. Phillips (*pro hac vice*)
Eric J. Lorenzini (*pro hac vice*)
Ozge Guzelsu (*pro hac vice*)
MUNGER, TOLLES & OLSON LLP
355 South Grand Avenue, Thirty-Fifth
Floor
Los Angeles, CA 90071-1560
Tele: (213) 683-9100

and

Peter E. Gelhaar (BBO#188310)
Michael S. D'Orsi (BBO #566960)
DONNELLY, CONROY &
GELHAAR LLP
1 Beacon St., 33rd Floor
Boston, Massachusetts 02108
(617) 720-2880
peg@dcglaw.com
msd@dcglaw.com

Counsel for Abbott Laboratories

CERTIFICATE OF SERVICE

I hereby certify that this document(s) filed through the ECF system will be sent electronically to the registered participants as identified on the Notice of Electronic Filing (NEF) and paper copies will be sent to those indicated as non registered participants on February 18, 2008.

Date: February 18, 2008.

_____/s/ Ozge Guzelsu

Thomas Woidat Deposition Designations

Depo Date	Witness	Hancock Designation	Abbott Counter Designation	Abbott Designation	Deposition Exhibit	Plaintiff Exhibit	Defendant Exhibit
07/20/04	Woidat, Thomas	8:21-9:5	9:6-9:9				
07/20/04	Woidat, Thomas			9:10-9:20			
07/20/04	Woidat, Thomas	9:21-10:8	No Counter				
07/20/04	Woidat, Thomas			12:12-15:24			
07/20/04	Woidat, Thomas	29:19-29:24	29:12-29:18				
07/20/04	Woidat, Thomas			32:12-33:3			
07/20/04	Woidat, Thomas	33:24-35:16	No Counter				
07/20/04	Woidat, Thomas			38:1-39:4			
07/20/04	Woidat, Thomas			63:8-64:6			
07/20/04	Woidat, Thomas			65:17-66:16			
07/20/04	Woidat, Thomas	91:9-91:23	91:24-91:24		1	LW	
07/20/04	Woidat, Thomas			94:24-95:18			
07/20/04	Woidat, Thomas	95:22-96:11	95:19-95:21		2	MB	
07/20/04	Woidat, Thomas	97:1-97:6	96:12-96:24		2	MB	
07/20/04	Woidat, Thomas	110:13-111:9	No Counter		3	RX	
07/20/04	Woidat, Thomas			111:10-111:24			

Depo Date	Witness	Hancock Designation	Abbott Counter Designation	Abbott Designation	Deposition Exhibit	Plaintiff Exhibit	Defendant Exhibit
07/20/04	Woidat, Thomas	116:16-117:4	116:12-116:15				
07/20/04	Woidat, Thomas	116:16-117:4	117:5-117:16		3	RX	
07/20/04	Woidat, Thomas			127:15-129:24			
07/20/04	Woidat, Thomas	151:12-152:7	152:8-153:9		3	RX	
07/20/04	Woidat, Thomas			158:9-159:5			
07/20/04	Woidat, Thomas	160:12-161:6			5	IV	
07/20/04	Woidat, Thomas			161:18-165:9			
07/20/04	Woidat, Thomas	171:11-171:24	171:25-174:21		4	33	
07/20/04	Woidat, Thomas			182:21-187:18	9		
07/20/04	Woidat, Thomas	188:6-188:24	No Counter		10	RY	
07/20/04	Woidat, Thomas	191:12-191:19	No Counter		10	RY	
07/20/04	Woidat, Thomas	199:1-200:2	195:15-198:24		4	33	
07/20/04	Woidat, Thomas	202:2-202:21	No Counter		11	IZ	
07/20/04	Woidat, Thomas	204:11-204:22	No Counter		11	IZ	

Color Key to Deposition Designations

 **Designation by Plaintiffs**

 **Counter Designation by Defendants**

 **Designation by Defendants**

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 UNITED STATES DISTRICT COURT
2 FOR THE DISTRICT OF MASSACHUSETTS
3
4 JOHN HANCOCK LIFE INSURANCE)
5 COMPANY, JOHN HANCOCK VARIABLE)
6 LIFE INSURANCE COMPANY, and)
7 MANULIFE INSURANCE COMPANY)
8 (f/k/a INVESTORS PARTNER)
9 INSURANCE COMPANY),)
10 Plaintiffs,)
11 vs.) Civil Action
12 ABBOTT LABORATORIES,) No. 05-11150-DPW
13 Defendant.)
14 The videotaped deposition of THOMAS
15 EDWARD WOIDAT, called for examination, taken
16 pursuant to the Federal Rules of Civil Procedure
17 of the United States District Courts pertaining to
18 the taking of depositions, taken before NANCY A.
19 GUIDOLIN, CSR No. 84-2531, a Notary Public within
20 and for the County of DuPage, State of Illinois,
21 and a Certified Shorthand Reporter of said state,
22 at Suite 1300, 2 North LaSalle Street, Chicago,
23 Illinois, on the 10th day of April, A.D. 2007, at
24 9:23 a.m.

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 UNITED STATES DISTRICT COURT
2 FOR THE DISTRICT OF MASSACHUSETTS
3
4 JOHN HANCOCK LIFE INSURANCE)
5 COMPANY, JOHN HANCOCK VARIABLE)
6 LIFE INSURANCE COMPANY, and)
7 MANULIFE INSURANCE COMPANY)
8 (f/k/a INVESTORS PARTNER)
9 INSURANCE COMPANY),)
10 Plaintiffs,)
11 vs.) Civil Action
12 ABBOTT LABORATORIES,) No. 05-11150-DPW
13 Defendant.)
14 The videotaped deposition of THOMAS
15 EDWARD WOIDAT, called for examination, taken
16 pursuant to the Federal Rules of Civil Procedure
17 of the United States District Courts pertaining to
18 the taking of depositions, taken before NANCY A.
19 GUIDOLIN, CSR No. 84-2531, a Notary Public within
20 and for the County of DuPage, State of Illinois,
21 and a Certified Shorthand Reporter of said state,
22 at Suite 1300, 2 North LaSalle Street, Chicago,
23 Illinois, on the 10th day of April, A.D. 2007, at
24 9:23 a.m.

PART 2

1 THOMAS EDWARD WOIDAT,
2 called as a witness herein, having been first duly
3 sworn, was examined and testified as follows:

4 EXAMINATION

5 BY MS. COLLARI TROAKE:

6 Q. Okay. Mr. Woidat, could you state your
7 full name and address for me, please.

8 A. Thomas Edward Woidat, 620 Rockland
9 Avenue, Lake Bluff, Illinois.

10 Q. Mr. Woidat, I just want to go over some
11 of the general ground rules for the deposition.
12 If I ask you a question and you answer it, I am
13 going to assume that you understand it and that
14 you heard the whole question. Is that okay?

15 A. Okay.

16 Q. So if you don't understand it or you
17 don't hear part of the question, please let me
18 know and I can restate it for you.

19 A. Okay.

20 Q. I also would ask that you don't
21 speculate or guess. I am just looking for your
22 knowledge and your best recollection. Okay?

23 A. Yes.

24 Q. And also I would ask that you answer

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 A. I believe that it was 1986.

2 Q. Any other certificates other than the

3 CPA?

4 A. No.

5 Q. Where do you currently work,

6 Mr. Woidat?

7 A. Are you asking me the name of the

8 company that I work for --

9 Q. Yes.

10 A. -- or the location? I work for Abbott

11 Laboratories.

12 Q. And where for Abbott Labs do you work?

13 A. As in what division do I work in?

14 Q. What location?

15 A. What location?

16 Q. Yeah. What city?

17 A. North Chicago, Illinois. Excuse me.

18 Actually, it's Abbott -- it's Abbott Park,

19 Illinois, which is close to North Chicago,

20 Illinois.

21 Q. And what is your current position with

22 Abbott Labs?

23 A. The title of my current position is

24 senior manager global financial operations.

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 Q. And what division of Abbott Labs is

2 that in?

3 A. It is in the division of global

4 pharmaceutical research and development, which I

5 may refer to -- the acronym is GPRD.

6 Q. That's fine. How long have you been in

7 that position?

8 A. I have been in my current position

9 approximately one year.

10 Q. And what was your position before that,

11 before you were senior manager global financial

12 operations?

13 A. I was manager of development finance.

14 Q. And is that also in GPRD?

15 A. Correct.

16 Q. And how long were you in that position?

17 A. I was in that position approximately

18 two years, I believe.

19 Q. So roughly 2004 through 2006?

20 A. Uh-huh.

21 Q. Before that position what was your role

22 at Abbott?

23 A. My role was -- I was in the same

24 division, GPRD. I believe my title was manager of

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 financial planning and analysis.

2 Q. And how long were you in that position?

3 A. Actually, I was in that position --

4 actually, I got promoted and some of my

5 responsibilities changed a little bit, but

6 essentially about six years.

7 Q. So from about '98 to 2004?

8 A. Correct.

9 Q. And prior to that, what was your

10 position at Abbott?

11 A. I worked in the Abbott International

12 division, and I was a finance manager in the Latin

13 America headquarters operations.

14 Q. And how long were you in that position?

15 A. About two-and-a-half years.

16 Q. And before that?

17 A. Prior to that I worked in the

18 pharmaceutical product -- I am sorry. My resume

19 is a little out of sequence here. The position

20 prior to the first GPRD position was actually in

21 the pharmaceutical product division.

22 Q. Okay.

23 A. And I -- in that position I was a

24 planning manager for approximately two years. The

PART 3

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 Q. And what company was that?

2 A. Arthur Andersen Company.

3 Q. And what was your position with Arthur

4 Andersen?

5 A. I was an auditor.

6 Q. And how long did you work for Arthur

7 Andersen?

8 A. A little over five years.

9 Q. Was the job at Arthur Andersen your

10 first job after getting out of Notre Dame?

11 A. That would be correct.

12 Q. The first job that you had with GPRD,

13 manager of financial planning and analysis, what

14 was -- what were your responsibilities in that

15 role?

16 A. My responsibilities including support

17 for the financial planning and analysis for the

18 R&D.

19 Q. And R&D refers to?

20 A. I am sorry. The research and

21 development. So the charter of the division is

22 the research and development -- pharmaceutical

23 research and development for the company.

24 Q. And in supporting the financial

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 planning analysis for that division, what did that
2 involve?

3 A. It involved providing assistance in
4 determining the financial resources required to
5 conduct the related R&D activities which would
6 include budgeting, inclusive of budget dollars to
7 conduct those activities, as well as other
8 required resources, such as people and capital.

9 Q. What did the budgeting component of
10 your job involve?

11 A. It involved putting together
12 comprehensive budgets to support Abbott's
13 budgeting processes, or budgeting cycles as you
14 may refer to them.

15 Q. What are Abbott's budgeting cycles, or
16 what were they for this period, '98 through
17 approximately 2004, when you were in this
18 position?

19 A. Generally, it consisted of an annual
20 plan, financial plan for all of the respective
21 divisions and an update cycle, which is an
22 adjustment to the annual plan, which would
23 typically occur twice a year.

24 Q. When would the update cycles occur?

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 You said twice a year, but when during the year?

2 A. The first update was in the --

3 typically in the first trimester of the year.

4 Q. The first trimester of the calendar

5 year?

6 A. Calendar year, correct.

7 Q. And the second one?

8 A. Usually in the -- late in the second

9 trimester.

10 Q. And the annual plan, when would that be

11 done in the course of the year?

12 A. It would be done -- it would oftentimes

13 overlap with the completion of the second update

14 and then be completed in the latter part of the

15 year for the following year's plan.

16 Q. So it would be completed the fourth

17 quarter of the prior year for the coming year?

18 A. Yes. Generally speaking. I mean,

19 sometimes it might not be completed until as late

20 as January of the year, but typically in the -- in

21 the latter part of the preceding year.

22 Q. And you said that you assisted in

23 putting together comprehensive budgets. When you

24 say "putting together," what does that mean? Are

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 you doing calculations, are you gathering

2 information? What's involved?

3 A. Gathering information, consolidating

4 information. So -- so taking the different

5 resources, because, again, as I mentioned earlier,

6 some of the budget -- some of the budget would be

7 external dollars.

8 So moneys that we would spend to third

9 parties to conduct our R&D activities as well as

10 the internal resources, the Abbott resources,

11 people resources, if you will, to support those

12 activities. Consolidating the required resources

13 to conduct the R&D activities.

14 Q. And in terms of the information that

15 you were gathering, were you assigned particular

16 projects for which you had to gather information

17 that would be used to put into the budgets, or

18 were you just gathering everything for GPDR?

19 A. The former.

20 Q. And so were you assigned particular

21 compounds that you were responsible for in this

22 role as manager of financial planning and

23 analysis?

24 A. Yes.

PART 4

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 A. Correct.

2 Q. I have also seen AGU UPD. Is that the
3 same thing as August update?

4 A. Yes, it is. UPD stands for update.

5 Q. Okay. And so APR UPD would be April
6 update as well?

7 A. I assume so. I'm not accustomed to
8 having that "R" in there. It's usually APU, or
9 April update.

10 Q. Okay.

11 A. That would be my assumption.

12 Q. And references to actual numbers, what
13 does that refer to?

14 A. References to actual numbers? A
15 reference to actual number would normally mean
16 that's the amount of actual spending that occurred
17 over whatever period of time is indicated in that
18 associated reference.

19 Q. And I assume ordinarily actual spending
20 wouldn't change, right? You have -- at a certain
21 point in time if you have determined actual
22 spending up through today, a month from now
23 spending up through today wouldn't have changed?

24 A. Correct.

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 A. Okay.

2 Q. We will deal with it that way.

3 Do you know what the blue plan is?

4 A. I am familiar with the term "blue
5 plan." When you say "the blue plan," I don't know
6 what you are referring to.

7 Q. Well, you said --

8 A. I am sorry. Are you asking me to
9 define what a blue plan term is?

10 Q. Let's start again.

11 A. Okay.

12 Q. Have you heard of the term "blue plan"?

13 A. I have.

14 Q. And what do you understand it to mean?

15 A. It is a term that has been used. I
16 don't know if we are actually still using that
17 term, but generally I have understood it to mean
18 a -- a proposal for some sort of activity in a
19 related budget, which has not been approved in a
20 current plan or update budget.

21 Q. So would it be funded, a blue plan?

22 A. It could be.

23 Q. Or it might not be?

24 A. It might not be. So usually when it's

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 initially prepared, at the time that it's prepared
2 it's typically not funded, but at a future point
3 in time it may be funded.

4 Q. Is it sort of like a wish list of
5 additional projects?

6 MS. GUZELSU: Objection. Sorry. I didn't
7 mean to cut you off.

8 BY THE WITNESS:

9 A. No. Well, no, I wouldn't refer to it
10 as a wish list, because the term "wish list" to me
11 implies that there is, perhaps, a very likelihood
12 that it might never be funded, and that wouldn't
13 be -- that wouldn't be correct.

14 BY MS. COLLARI TROAKE:

15 Q. I am sorry. A wish list in your view
16 is something that is not likely to be funded? Is
17 that what you said?

18 A. I am saying a wish -- a wish list is
19 a -- something that I think about at Christmas
20 time. I would -- I would say it's R&D activities
21 or even a new program, a new compound, that
22 represents an opportunity that -- that might be
23 evaluated for consideration for funding.

24 Q. Are you familiar with the reference to

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 nominal versus expected spending?

2 A. Yes. I am.

3 Q. And what do you understand the

4 difference, if any, between nominal and expected

5 spending?

6 A. Well, it's a -- it's a fairly common

7 finance term, I think, but in the context of GPRD

8 nominal would reflect the related spend

9 independent of risk, and expected would reflect

10 risk considerations associated with the activities

11 to which the R&D spend relates.

12 Q. So typically nominal spending would be

13 greater than expected spending, would it not?

14 A. Correct. Under the assumption that --

15 yes.

16 Q. All right. I mean, it could be the

17 same if there is little or no risk?

18 A. Right. If there is no -- if there is

19 no risk, it could -- absolutely it could be the

20 same.

21 Q. But assuming there is usually some risk

22 involved, there're likely that they are going to

23 be different, and nominal would be in excess of

24 expected?

PART 5

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 A. Correct.

2 Q. For purposes of Abbott's budget cycle

3 that we talked about previously, the annual plan

4 and then the two updates, does Abbott use nominal

5 spending numbers or expected spending numbers?

6 MS. GUZELSU: Objection.

7 BY MS. COLLARI TROAKE:

8 Q. If you know.

9 A. We typically use nominal budgets, but

10 in terms of evaluating the commercial return, for

11 example, of a given compound, again, this would be

12 inclusive of not just the R&D stream, but further

13 down stream in terms of eventual sales and

14 profits. Risk and unexpected value might be part

15 of the analysis leading to the decision to approve

16 budgets.

17 Q. Are you familiar with the term "grant

18 gating"?

19 A. Yes.

20 Q. And what does that refer to?

21 A. Grant is a term -- it's an abbreviated

22 term for what we refer to as clinical grants,

23 which effectively are the cost to run a clinical

24 study for the approval of a given compound, and we

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 (WHEREUPON, a certain document was
2 marked Woidat Deposition Exhibit
3 No. 1, for identification, as of
4 4-10-07.)
5 BY THE WITNESS:
6 A. I believe that I have seen this
7 document before. Yes.
8 BY MS. COLLARI TROAKE:
9 Q. And what is it?
10 A. It is a planning document related to
11 the 2001 Plan for the Analgesia Venture.
12 Q. And the 2001 Plan, is that the same as
13 a 2001 budget, the annual budget that you spoke of
14 previously?
15 A. Yes. I believe it is.
16 Q. Do you recall receiving this plan in
17 and around January 26, 2001, the date on the first
18 page?
19 A. I don't remember receiving this.
20 Q. But you see your name is listed under
21 the -- I believe the third from the bottom, Tom
22 Woidat.
23 A. No. I see that. I am sure that I
24 received it. I am just stating that I don't

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 remember receiving it.

2 Q. Sure. You don't have any reason to

3 believe that you didn't receive it?

4 A. No.

5 Q. Okay. Looking at the people who are
6 listed there along with you, I think John Leonard
7 you have already mentioned as being the VP of
8 development; is that right?

9 A. Correct.

10 Q. Chris Silber, who is that?

11 A. I believe at the time Chris Silber was
12 the global project head for the Analgesia Venture.

13 Q. And the Analgesia Venture, was that a
14 group of compounds related to a particular area?

15 A. Not -- close. We often referred to the
16 team of -- the clinical team that basically
17 handled the project management for a therapeutic
18 class of compounds as the venture. So the venture
19 would really refer more to the -- to the team of
20 people, some of the names of which you see on
21 here.

22 The compounds would -- as I think that
23 you see listed on the second page of the document,
24 there would be a grouping of compounds that were

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 Q. Okay. That's fine. Okay.

2 The review for reasonableness, was that
3 in part to insure that the numbers were as
4 accurate as they could be at that moment in time?

5 A. Yes. I would say that we would want
6 them to be as accurate as possible and as credible
7 as possible.

8 Q. Looking back at Exhibit 1, that page
9 that we were just looking at, the summary page.

10 A. Uh-huh.

11 Q. The 2001 Plan column which has about
12 9.3 million listed for ABT-594, do you see that?

13 A. I do.

14 Q. The 2001 Plan, do you know what that is
15 referring to?

16 A. Do I know what the -- I am sorry. I
17 don't understand your question.

18 Q. The reference to 2001 Plan --

19 A. Uh-huh.

20 Q. -- do you know what that is referring
21 to?

22 A. I think that's referring -- excuse me,
23 referring to in this -- I think it's referring to
24 the 2001 Plan, either the -- again, if this is the

PART 6

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 final plan budget, this would most likely be
2 referring to the dollars that were approved for
3 ABT-594, or if this is not the final plan, this
4 would be the -- for this Pass II iteration this
5 would be the dollars that appear to have been
6 approved.

7 Q. And, again, those numbers would have
8 been vetted by an analyst for reasonableness
9 before being --

10 A. Oh, absolutely. I mean, again, just to
11 be clear, the financial analyst as well as -- as
12 well as other individuals.

13 Q. What other individuals?

14 A. Myself being one of them.

15 Q. Who else?

16 A. The assistant controller at the time,
17 Mike Higgins, and the controller, Steve Cohen,
18 would be part of the review process.

19 Q. On the next page of Exhibit 1 do you
20 see at the top it refers again to ABT-594, and
21 then it says, "2001 Plan Key Statistics Pass II"
22 again?

23 A. Uh-huh.

24 Q. Would your team have been responsible

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 for putting this spreadsheet together?

2 A. We would have been -- yes. We would
3 have been responsible for preparing this; again,
4 collaborating with the other parties that would
5 have information to put in here as I think that I
6 described a little bit earlier.

7 Q. So, again, you would be collecting
8 information from various other places, pulling it
9 together for purposes of putting it in this
10 spreadsheet?

11 A. That's correct.

12 Q. And would this spreadsheet have gone
13 through the same reasonableness vetting process
14 that you described with respect to the prior
15 summary?

16 A. Yes.

17 Q. In the fourth box on that page --
18 fourth box down from the top it says, "Total
19 Venture Management."

20 A. Uh-huh.

21 Q. And there is a reference to "Authorized
22 Heads," which is, "Flat to AGU until July 2001,
23 ABT-594, Go/No Go Decision, no head count after
24 July of 2001."

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 Do you know what that is referring to?

2 A. I believe what that is referring to is

3 that this particular program, ABT-594, had a go/no

4 go decision to be made apparently until -- or I am

5 sorry, the decision apparently being made in the

6 July 2001 time frame.

7 Q. Would you have been -- I am sorry. Go

8 ahead.

9 A. No. That's it. Go ahead with your

10 question, please.

11 Q. Would you have been involved at all in

12 that decision, the go/no go decision that looks

13 like it was going to happen sometime in July of

14 2001?

15 A. No. That would have been an

16 operational decision.

17 Q. Turning to the page ending 361 --

18 A. Okay.

19 Q. -- and just looking at the headings for

20 this spreadsheet it says, "2000 APU, 2000 AGU,"

21 and then here we have this "AUG. UPD AND APR. UPD,

22 Favorable/Unfavorable." Do you see that? It's

23 the third column.

24 A. Uh-huh.

Wodiat, Thomas Edward (Linked), 4/10/2007 9:23:00 AM

1 A. Okay.

2 Q. Which, again, is a -- it looks like a
3 2001 planning key statistic for 594 compound?

4 A. Uh-huh.

5 Q. And this one, again, in the first box
6 references 2001 target, the 2000 August update and
7 the 2001 Plan. Do you see that?

8 A. I do.

9 Q. And the 2001 Plan is about 9.3 million,
10 right?

11 A. Yes.

12 Q. And as you understand this schedule,
13 spreadsheet, the 2001 Plan number, that 9.3
14 million, would that include all of the spending,
15 not just clinical grants?

16 A. That would be my inference, yes.

17 Q. But either you or someone in your team
18 would have been responsible for creating this
19 Excel spreadsheet, would they not?

20 A. Yes.

21 Q. And it would have been subject to the
22 vetting for reasonableness and review for
23 accuracy, would it not?

24 A. Yes.

PART 7

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 A. Correct.

2 Q. Turning to the page ending 37566 --

3 A. Okay.

4 Q. -- another schedule here, and at the

5 top there are three columns, "Corporate

6 Submission, Final 2001 Plan," and then, "Final vs.

7 Corporate submission," and it looks like "Inc./"

8 and December in brackets. Do you see that?

9 A. Uh-huh.

10 Q. The column headed "Corporate

11 Submission" -- well, first of all, do you

12 recognize this schedule?

13 A. Not -- no.

14 Q. So it's not something that you or your

15 team would have been responsible for creating?

16 A. Oh, I didn't -- I didn't say that. I

17 am just saying looking at this schedule right now

18 it's not -- I am not recollecting it. I likely

19 may have reviewed it, but I can't recall whether

20 we actually prepared it, or if it was prepared,

21 again, by the division planning group summarizing

22 the budget information for the -- for the

23 compounds.

24 Q. And the column headed, "Corporate

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 Submission," do you know what that refers to,
2 corporate submission?

3 A. Typically the term -- I believe what
4 the term refers to is once the divisions complete
5 our internal reviews of the budgets, we then
6 submit it to corporate for review, and it's
7 commonly known as corporate submission.

8 Q. And looking at the line item for
9 ABT-594, the corporate submission is 8.9. Do you
10 see that?

11 A. Yes.

12 Q. And then the final plan number, again,
13 here is 9.3?

14 A. Yes.

15 Q. So am I reading this correctly that
16 basically 8.9 was asked for or requested, but 9.3
17 was approved?

18 A. That would seem to be the case, yes.

19 Q. Were you also responsible for a
20 compound referred to as Ketolide, or ABT-773?

21 A. Yes.

22 Q. So if you look down under the
23 antiinfective, the second item is Ketolide, which,
24 correct me if I am wrong, is the same as 773,

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 right?

2 A. You are correct. Yes.

3 Q. And under "Corporate Submission" there

4 it requests 91, I believe, million, right?

5 A. Yes.

6 Q. And under the "2001 Final Plan" it's 88

7 million?

8 A. Yes.

9 Q. And so they basically asked for 91, but

10 only 88 was approved, correct?

11 A. Yes.

12 Q. Were you also responsible for a

13 compound referred to as ABT-518 at this time, also

14 referred to as, I am going to butcher the name,

15 metalloproteinase? I am sure that's not right.

16 A. Yeah.

17 Q. Under one of the cancer drugs.

18 A. I think -- since I can't pronounce it

19 either, I think that we referred to it as MMPI.

20 Q. Yes.

21 A. And yes, yes, yes.

22 Q. And under the heading "Cancer," it's

23 the third one down, correct?

24 A. Correct.

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 Q. And, again, here we have a number under

2 "Corporate Submission" which is about 7 million?

3 A. Yes.

4 Q. But 7.4 was actually approved in the

5 2001 Plan, right?

6 A. Yes.

7 Q. Turning to the next page, please, which
8 is 37567.

9 A. Okay.

10 Q. Do you recognize this schedule?

11 A. I don't -- I don't recollect this
12 schedule.

13 Q. Do you know whether it's something that
14 you or your team would have created at the time?

15 A. We may have, or we may have provided
16 information that's included in whoever prepared
17 this schedule.

18 Q. You will note that there is some
19 handwriting on this schedule. Do you recognize
20 that handwriting?

21 A. I don't.

22 Q. It's not your handwriting?

23 A. It is not.

24 THE VIDEOGRAPHER: I am sorry. We have to go

PART 8

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 A. I had some dealings with McKenzie, yes,
2 but in terms of when -- when I would have had
3 dealings with them, I don't know if it would have
4 been as early as February 2001.

5 Q. And what was the purpose of your
6 dealings with McKenzie?

7 A. McKenzie was involved in our
8 integration of Knoll Pharmaceuticals which Abbott
9 acquired in, I believe it was, March of 2001.

10 Q. You can put that away for --

11 A. Thank you.

12 Q. -- for the time being.

13 (WHEREUPON, a certain document was
14 marked Woidat Deposition Exhibit
15 No. 3, for identification, as of
16 4-10-07.)

17 BY MS. COLLARI TROAKE:

18 Q. Mr. Woidat, I have put in front of you
19 what has been marked as Woidat Exhibit 3. If you
20 could take a moment to look at that and let me
21 know whether you recognize that document.

22 A. I am sorry. What was the question?

23 Q. Do you recognize that document?

24 A. I do.

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 Q. And what is that?

2 A. Excuse me?

3 Q. What is it?

4 A. It's a communication from myself to

5 other members of our GPRD finance team regarding

6 some comments on the finalization, or I shouldn't

7 say finalization, but development of the April

8 update budgets for various programs as attached

9 here.

10 Q. And I just want to make sure that I

11 understand the timing. At this point the 2001 Plan

12 is final based on what we saw in Exhibit 2,

13 correct?

14 A. Correct.

15 Q. And so at this point in time, sort of

16 mid to late March of '01, you are starting the

17 April update process, is that right, or this is

18 part of that process?

19 A. This would be part of the process. The

20 process probably started even earlier than March,

21 probably even in February, but as would be implied

22 by the April update, it usually goes well into

23 April, and might not be finalized until even as

24 late as May.

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 A. I think that the process would have
2 been -- there appears to have been an iteration of
3 our detailed systematic buildup of the project
4 assumptions in Oracle which I refer to on the first
5 page.

6 Q. Uh-huh.

7 A. And so going from this first iteration
8 that says -- specifically the second column, "2001
9 Update," and "Revised," I think that's
10 incorporating the -- the changes in the -- in the
11 Oracle system.

12 Q. Okay. Looking under the list of
13 compounds, again, under "Neurology" the third one
14 down is 594, correct?

15 A. Yes.

16 Q. Then the 2001 Plan number, the 2001 APU
17 and the 2001 APU revised all state the same 9.3
18 million, correct?

19 A. Yes.

20 Q. So does this indicate, then, that you
21 weren't proposing any kind of adjustment to the
22 plan spending for 594 for 2001?

23 A. It would appear not.

24 Q. That you were not proposing any

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 adjustment?

2 A. No. I think that the proposed

3 adjustments were in the third column here, and

4 there is not any for 594.

5 Q. Is that an indication that whatever

6 numbers that you had, the 9.3 million, that that

7 was accurate at the time that you were doing your

8 proposed adjustments to the April update targets?

9 MS. GUZELSU: Objection.

10 BY THE WITNESS:

11 A. I -- it does not look like I was

12 proposing any adjustments to the -- to the 594

13 budget since there is not an amount on here, but I

14 can't comment to the -- to basically say that 9.3

15 is what the budget should be. I just wasn't

16 proposing any adjustments.

17 BY MS. COLLARI TROAKE:

18 Q. But this process that you were

19 undertaking in terms of making adjustments relative

20 to the April update, isn't the purpose of that to

21 be tracking the spending and make sure that it's

22 accurate at that point in time?

23 A. It's intended to make sure whatever --

24 whatever the underlying assumptions are for the

PART 9

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 data as of date in that package on Page 2 of

2 Exhibit 2 it says, "As of February 16th."

3 A. Right.

4 Q. Right?

5 A. Correct.

6 Q. If you could look at Page 2 of the

7 agreement, please, and I am going by the numbers

8 at the top of the agreement, not the Bates

9 numbers.

10 A. Okay. Thank you for that

11 clarification. I am sorry. Roman numeral II or

12 are they numeric?

13 Q. No. Numeric 2 at the top of the page.

14 A. Thank you. Okay. I am there.

15 Q. The fourth item down, 1.6, refers to an

16 annual research plan. Do you see that?

17 A. I do.

18 Q. Have you ever heard of that term in

19 relation to the Hancock agreement before, annual

20 research plan?

21 A. The term sounds vaguely familiar. Yes.

22 Q. Were you involved at all in preparing

23 annual research plans with respect to the Hancock

24 agreement?

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 A. I don't recall preparing annual

2 research plans. No.

3 Q. Were you ever asked by Tom Lyons to

4 assist in preparing annual research plans to be

5 provided to John Hancock?

6 A. I recall being requested by Tom Lyons

7 to provide information for periodic -- I don't

8 know if the communications were quarterly or

9 annually, but I did along with the financial

10 analysts on my team provide some information to

11 Tom -- Tom Lyons, which my recollection included

12 spending.

13 I just can't recall whether it actually

14 included just the historical spending for a given

15 period of time or if it actually included the plan

16 amounts.

17 Q. Okay. The definition of annual

18 research plan states, "It shall mean for the

19 program years and the program term a reasonably

20 and consistently detailed statement of the

21 objectives, activities, timetable and budget for

22 the research program for every program year

23 remaining in the program term."

24 A. Yes.

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 Q. And it goes on from there.

2 A. Right.

3 Q. The reference to "budget" there, do you
4 have an understanding of what that means?

5 A. I am assuming that it represents the
6 budget that we would build into a plan or update
7 budget would be my presumption.

8 Q. So probably what is in Exhibit 2 and,
9 perhaps, what results from what -- the work that
10 you were doing in Exhibit 3 for the April update?

11 MS. GUZELSU: Objection.

12 BY MS. COLLARI TROAKE:

13 Q. Is that correct?

14 A. It could be, but, again, I am not -- in
15 terms of the qualifications of what goes into an
16 annual research plan, I am not -- I am not expert
17 on this agreement to know what -- what that
18 represents.

19 Q. But if someone asked you could you
20 provide me with Abbott's budget for a particular
21 compound for the next year, what would you take
22 that to mean?

23 A. I would take it to mean the latest
24 approved plan or update budget.

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 Q. -- right?

2 A. Right.

3 Q. So that's about a month after. The ARP
4 is about a month after?

5 A. Correct.

6 Q. And it's more --

7 A. Yeah. I understand the point that you
8 are making. I don't know. I mean, in terms of
9 the -- there is clearly a difference here, but I
10 can't -- I can't explain why those two months are
11 different.

12 Q. And if you look at -- you probably want
13 to keep Exhibit 2 open, but could you also grab
14 Exhibit 3, please, which is your e-mail with your
15 adjustments, proposed April update target
16 adjustments.

17 A. Okay.

18 Q. And if you look at the schedule there,
19 under antiinfective -- bear in mind this is dated
20 March 21, 2001, right? So about a week after the
21 agreement.

22 A. Okay.

23 Q. Okay. The schedule that you have here
24 for 773 says, "2001 Plan 88, 2001 update 88."

PART 10

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 There is a proposed adjustment for 1.6, but that

2 only gets us to 89.6, correct?

3 A. Correct.

4 Q. Which, again, is different from what is

5 in the March 13th agreement given to Hancock of

6 91.5?

7 A. Right.

8 Q. Do you have any understanding as to

9 where the 91.5 might have come from?

10 A. No. I mean, it would -- as I mentioned

11 earlier, I mean, we go through different

12 iterations of the plans and updates. I mean, I

13 think that we have seen a few examples where we

14 see Pass I, Pass II so on and so forth here.

15 Q. Remember the Exhibit 2 --

16 A. Right.

17 Q. -- is dated about a month before the

18 agreement, and your spreadsheet is dated about a

19 week after, and they both have the same number in

20 it, 88 million.

21 Do you have any understanding as to why

22 something dated in between those two wouldn't

23 reflect the 88 million?

24 MS. GUZELSU: Objection.

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 BY THE WITNESS:

2 A. I am sorry. I am getting confused with

3 all of the data points here. So we got the --

4 this -- again, this e-mail that I am looking at

5 here, this is looking at the update in process,

6 kind of in this -- right? So, I mean, the 88 --

7 or, excuse me, the \$89.6 million is a -- you know,

8 a fluid number that is still being vetted and

9 finalized, right?

10 BY MS. COLLARI TROAKE:

11 Q. Understood, but you reference 88

12 million for the 2001 Plan.

13 A. Okay.

14 Q. Which I think that we have agreed, have

15 we not --

16 A. Right.

17 Q. -- that the 2001 final plan goes

18 through a process by which it's reviewed for

19 reasonableness, correct?

20 A. Yes.

21 Q. And that number is 88 million. The

22 annual research plan attached to Exhibit 4 for

23 773, which is supposed to include --

24 A. It has 91.5.

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 THE VIDEOGRAPHER: Welcome back. We are back
2 on the video record at 1:57 p.m. This is Tape 4.

3 THOMAS EDWARD WOIDAT,
4 called as a witness herein, having been previously
5 duly sworn and having testified, was examined and
6 testified further as follows:

7 EXAMINATION (Resumed)

8 BY MS. COLLARI TROAKE:

9 Q. Mr. Woidat, we were looking at Exhibit
10 4 before the break?

11 A. Yes.

12 Q. As well as some of the others. But in
13 Exhibit 4 if you could turn to the page Bates
14 numbered 8117, please, which is the page we were
15 talking about before lunch.

16 A. Okay.

17 Q. And, again, this is -- we are talking
18 about 773, that compound, correct?

19 A. Uh-huh. Yes.

20 Q. The bottom part of the schedule refers
21 to projected spending by year. Do you see that?

22 A. Yes. I do.

23 Q. And it has years 2000 through 2005 and
24 then a total?

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 A. Yes.

2 Q. Did you have any involvement in
3 providing analysis or numbers to support what is
4 listed under the years following 2001?

5 A. I do not believe so. No.

6 Q. If you could turn to the next page,
7 please, Bates labelled 8118, which is, again, for
8 the compound 773, and it's a 2001 Plan Development
9 Cost Summary, correct?

10 A. Yes.

11 Q. Is this a document that you would have
12 created or someone in your team would have
13 created?

14 A. It's possible that someone in my team
15 might have helped create a document like this,
16 yes.

17 Q. And is this a document that you would
18 see in the ordinary course of your work for
19 various compounds at Abbott?

20 A. At the time I believe this -- this
21 document was used in some of the planning process
22 reviews, yes.

23 Q. Okay. And, again, if you look over on
24 the right it says, "2001 Plan Cost." Do you see

PART 11

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 that?

2 A. Yes.

3 Q. And then at the bottom you get a total

4 of 91.5 million again. Do you see that?

5 A. Yes.

6 Q. Again, looking at this spreadsheet and

7 that total, does that refresh your recollection at

8 all or give you any understanding as to what the

9 difference is between what we see on this page and

10 what we see in Exhibits 2 and 3?

11 A. No. It does not.

12 (WHEREUPON, a certain document was

13 marked Woidat Deposition Exhibit

14 No. 5, for identification, as of

15 4-10-07.)

16 BY MS. COLLARI TROAKE:

17 Q. Mr. Woidat, I have put in front of you

18 what has been marked as Exhibit 5. If you can

19 take a moment -- there's a couple of different

20 components of Exhibit 5. If you could take a look

21 at it and let me know whether you recognize all or

22 any of Exhibit 5, please.

23 A. I am sorry. What was the question on

24 this one?

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 Q. Do you recognize any or all of

2 Exhibit 5?

3 A. I recognize this (indicating).

4 Q. "This" being the e-mails, which is the

5 first part of Exhibit 5?

6 A. Yes.

7 Q. What about --

8 A. I am sorry. The second part.

9 Q. The second part which is this ABT-773

10 Ketolide antibiotic which looks like it's three

11 pages, various tables. Do you recognize that?

12 A. I don't recognize this. No.

13 Q. Okay. And then the last bit of Exhibit

14 5 is a fairly lengthy document that says, "ABT-773

15 Update March 19, 2001." Do you recognize that?

16 A. No. It looks like a presentation of

17 some sort. I don't recognize it, though.

18 Q. Okay. Starting with the part that you

19 recognize, the e-mail exchange --

20 A. Yes.

21 Q. -- which is on Bates numbered pages

22 ABBT353988 through 90, the e-mails are dated March

23 27, 2001, right?

24 A. Yes.

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 Q. So shortly after your analysis of
2 March 21, 2001, correct, that we looked at
3 earlier, Exhibit 3?

4 A. Yeah. The date on this memo is 3/27,
5 which would be after that date. Correct.

6 Q. Okay. And shortly after the agreement
7 was signed, Exhibit 4, and that's March 13,
8 correct?

9 A. Yep.

10 Q. Okay. Now, the second e-mail on the
11 first page, it's an e-mail from you to Robert
12 Funk, right?

13 A. Uh-huh. Yes.

14 Q. In the second paragraph you make a
15 proposal to increase the costs for 773 by about a
16 half a million dollars, right?

17 A. Yes.

18 Q. Okay. And then the last sentence says,
19 "FYI, this program has been the 773 stepchild that
20 neither PPD, AI or HPD appear willing to fund,
21 yet," and I think it should be "no one can live
22 without."

23 A. Right.

24 Q. And then the last sentence says, "Note

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 also that this is part of the Hancock portfolio.

2 So I believe that we need to tread carefully

3 here."

4 My first question is: Is the

5 reference -- the "stepchild" reference, is that

6 referring to the IV program?

7 A. It would appear, yes.

8 Q. And the last sentence where you said

9 that "we need to tread carefully here," do you

10 have any recollection as to what you meant by

11 that?

12 A. I think -- I think that I was referring

13 to the fact that -- that we were including ABT-773

14 or had included, I guess as the case might be, 773

15 in the Hancock agreement.

16 So I was, I think, just trying to, I

17 guess, reiterate that point that this was part of

18 the third-party collaboration.

19 Q. So why would you need to tread

20 carefully?

21 A. Because we have a partner with this

22 program. I don't think that I meant anything more

23 than having a partner with the program we just

24 need to make sure that we -- that there are

PART 12

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 certain responsibilities with that relationship.

2 Q. And included in those responsibilities

3 did you have in mind that Abbott needed to

4 demonstrate that it would spend a certain minimum

5 amount?

6 MS. GUZELSU: Objection.

7 BY THE WITNESS:

8 A. I don't think -- again, not being

9 familiar with the details of the Hancock funding,

10 I don't think that I meant that at all. I think

11 that I was simply pointing out that this -- this

12 compound or this program is part of the Hancock

13 agreement, and there was clearly some -- some

14 issues with the budget here.

15 So I think that I was merely stating

16 that fact or reiterating that fact.

17 BY MS. COLLARI TROAKE:

18 Q. And when you say there were some issues

19 with the budget, did you mean that you were

20 suggesting an increase that wasn't necessarily

21 reflected in what had been provided to Hancock?

22 MS. GUZELSU: Objection.

23 BY THE WITNESS:

24 A. No, no. I think what I was trying to

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 get at here, perhaps a little bit of a
2 melodramatic fashion with this "stepchild" term,
3 was that the IV program -- you can see there are
4 different divisions mentioned here, and I think
5 that there had been some different understandings
6 between the different Abbott divisions in terms of
7 ultimately which bucket or which division would --
8 would fund the IV program, and so I think that's
9 what I was -- that's what I was alluding to there.

10 BY MS. COLLARI TROAKE:

11 Q. Okay. The last sentence in that e-mail
12 says, "Regarding broader outcome of MTG," which I
13 am assuming is meeting, "I haven't heard anything
14 bad (like the first go around) but I will have to
15 follow up with venture to get more details."

16 Do you see that?

17 A. I do.

18 Q. Is that meeting that you are referring
19 to the pharmaceutical executive committee meeting?

20 A. I can't remember what this
21 references --

22 Q. Well, if you --

23 A. -- at all.

24 Q. -- turn the page to the Bates number

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 MS. GUZELSU: Just pause for me to say
2 objection. Sorry.

3 BY MS. COLLARI TROAKE:

4 Q. And the 35 million -- I mean, it's
5 almost four times as what is listed under Final
6 2001 Plan in Exhibit 2, is it not?

7 A. Right.

8 Q. Right? 4 times 9 is 36?

9 A. Right, right. That relationship would
10 hold, yes.

11 Q. So as of the data in Exhibit 2,
12 February 16, 2001, Abbott's 2001 Plan reviewed for
13 reasonableness is saying 9.1 -- 9.3 million for
14 ABT-594 for 2001, right?

15 A. Yes.

16 Q. Okay. And the agreement, Exhibit 4,
17 dated March 13, 2001, about a month later is
18 indicating almost four times that, 35 million,
19 right?

20 A. Yes.

21 Q. Okay. Exhibit 3, which is your e-mail
22 dated March 21st --

23 A. Okay.

24 Q. -- 2001. If you can look at the second

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 page of that and under ABT-594 the 2001 Plan
2 number is 9.3, the 2001 April update number is
3 9.3, and, I think that we went over this before,
4 there are no proposed adjustments at that point,
5 right?

6 A. Yes.

7 Q. And this e-mail is dated about a week
8 after the agreement, Exhibit 4, correct?

9 A. Yes.

10 Q. So presumably if there was some change
11 in the activity with respect to 594, that would
12 cause an increase in the projected spending of
13 almost fourfold, would that not have been
14 reflected in your e-mail, which is Exhibit 3?

15 MS. GUZELSU: Objection.

16 BY THE WITNESS:

17 A. I -- I can't speak to the \$35 million.

18 So I -- I don't know.

19 BY MS. COLLARI TROAKE:

20 Q. Do you have any idea where the \$35
21 million number in the annual research plan came
22 from?

23 A. I wasn't involved in the -- no, I
24 don't.

PART 13

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 Q. But it's not in the final plan, Exhibit

2 2, is it, that we looked at before?

3 A. No.

4 Q. And it's not in your e-mail, in your

5 proposed adjustment spreadsheet, right?

6 A. Right.

7 Q. Just a week later?

8 A. Right.

9 Q. Okay. If you turn the page of

10 Exhibit 4 and look at 8122. You should keep those

11 open.

12 A. I will. I just want to just --

13 Q. That's the agreement. Exhibit 4 is the

14 agreement.

15 A. I am sorry. What -- regarding the next

16 page in Exhibit 4. My mistake.

17 Q. Yes. And this is a 2001 Plan

18 Development Cost Summary, right, for 594?

19 A. Yes.

20 Q. And this is a document that you or

21 someone on your team would have created, correct?

22 A. I -- I don't know.

23 Q. But in the ordinary course you would

24 have created documents like this. I think that we

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 have already established that, have we not?

2 A. Yes.

3 Q. And in relation to the Hancock

4 agreement, were you not responsible for collecting

5 and gathering these development cost summaries in

6 relation to the agreement?

7 MS. GUZELSU: Objection.

8 BY THE WITNESS:

9 A. No. No. My -- my recollection was

10 having provided -- after execution of the

11 agreement, the reports that were periodically

12 provided, which I think that we reviewed earlier

13 today, I had provided information that, I think,

14 was incorporated into those -- those periodic

15 reports, but I don't recall providing any

16 information contained in the Hancock agreement.

17 BY MS. COLLARI TROAKE:

18 Q. So you don't recall collecting

19 development cost summaries in relation to the

20 Hancock agreement?

21 A. I do not.

22 MS. COLLARI TROAKE: This is going to be 6.

23 (WHEREUPON, a certain document was

24 marked Woidat Deposition Exhibit

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 Q. And you don't recall being informed
2 between November of 2000 and March of 2001 that
3 there was to be a change with respect to that
4 issue in 594?

5 MS. GUZELSU: Objection.

6 BY THE WITNESS:

7 A. Can you repeat the question, again,
8 please?

9 BY MS. COLLARI TROAKE:

10 Q. The question was: You don't recall
11 being informed regarding any change with respect
12 to EVR support for 594 for purposes of the
13 budgeting and planning process?

14 A. No. I can't recall any change other
15 than looking at this document, which is making a
16 comment to some of the planning assumptions in the
17 2001 Plan, but, again, the plan is an iterative
18 process, and I can't recall at what stage of
19 completion the plan was in when this document was
20 written.

21 (WHEREUPON, a certain document was

22 marked Woidat Deposition Exhibit

23 No. 9, for identification, as of

24 4-10-07.)

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 BY MS. COLLARI TROAKE:

2 Q. I have put in front of you what has
3 been marked as Exhibit 9, Mr. Woidat. If you
4 could take a look at that and let me know whether
5 you recognize that document, please.

6 A. I recognize this document as a document
7 that appears to have been part of the 2001
8 planning -- planning process.

9 Q. Do you recall receiving this document?

10 A. No, but in all likelihood it would
11 appear that I did. My name is on the
12 distribution, but I receive a lot of documents in
13 conjunction with the plan and update cycles.

14 Q. And there -- I am sorry. There are
15 handwritten notes on the second page of the
16 document. Do you recognize that handwriting?

17 A. I do not.

18 Q. So it's not your handwriting?

19 A. No.

20 Q. And the third page of that document
21 there is a date at the top. That indicates it's
22 December 21, 2000, right?

23 A. Yes.

24 Q. And in the Re line under distribution

PART 14

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 it says, "2001 Plan assumption memo - Pass III,"
2 and as we discussed before, Pass III probably
3 means this is the third iteration of this memo,
4 correct?

5 A. Third -- probably a third iteration of
6 the plan. That would be probably reasonable that
7 there would have been a preceding I and II
8 versions of this, yes.

9 Q. Okay. And at the bottom of the page
10 there is a reference to ABT-594, and there is a
11 bullet point that says, "Go" with some numbers and
12 the second bullet point says, "PB" with some
13 numbers.

14 A. Yes.

15 Q. Do you know what the difference between
16 those are, who those refer to?

17 A. The GO and the BP?

18 Q. Yes.

19 A. These are -- these references appear to
20 be project numbers, and the prefix -- the "GO" and
21 the "BP" can mean different things. Like, for
22 example, I mentioned earlier in terms of
23 identifies the division that we are charging the
24 project to internally. It's known as a

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 beneficiary code, and that's what -- that's the

2 significance of those items.

3 Q. And remind me, again. The BP, that

4 would be something that wouldn't be necessarily

5 funded; is that right?

6 A. I believe that you are referring to a

7 blue plan?

8 Q. Yes.

9 A. A blue plan -- a blue plan may or may

10 not be funded, that's correct.

11 Q. If you turn to the page with the Bates

12 No. 112996 in that Exhibit 9.

13 A. Okay.

14 Q. Which is a listing of some of the

15 clinical studies for ABT-594, right?

16 A. Yes.

17 Q. And the first one on the list is the

18 M99-115 osteoarthritis study.

19 A. Okay.

20 Q. And the reference above the chart says,

21 "BP." Would that indicate to you that that's a

22 blue plan item?

23 A. I believe so.

24 Q. So for that particular study at this

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 point in time the fact that it's a blue plan item,
2 would that indicate that the likelihood that it's
3 going to be funded for 2001 is pretty slim?

4 MS. GUZELSU: Objection.

5 BY THE WITNESS:

6 A. I wouldn't be able to comment to the
7 likelihood of it being funded.

8 BY MS. COLLARI TROAKE:

9 Q. Well, again, the significance of it
10 being blue plan is what?

11 A. The significance of it being blue
12 planned is that it has been -- its activities and
13 related costs that have been segregated for
14 consideration by management at some future point
15 in time.

16 Q. And would the blue plan numbers be
17 included in the Final 2001 Plan that we are
18 looking at in Exhibit 2?

19 MS. GUZELSU: Objection.

20 BY MS. COLLARI TROAKE:

21 Q. For example, 594 in Exhibit 2, the 2001
22 Plan, is 9.3 million, right?

23 A. Right.

24 Q. Would that 9.3 million include any blue

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 plan funding?

2 MS. GUZELSU: Objection.

3 BY THE WITNESS:

4 A. I can't -- I can't ascertain from

5 looking at this document whether this blue plan is

6 in the budget, but it's possible that it's not.

7 BY MS. COLLARI TROAKE:

8 Q. But, generally speaking, if something

9 is blue planned, does it -- does the cost of that

10 blue planned item get included in the numbers in

11 the final budgetary plan?

12 MS. GUZELSU: Objection.

13 BY THE WITNESS:

14 A. The final plan could -- could include

15 items that were presented as blue plan. If

16 management deems to approve those activities in a

17 related budget, a blue plan could get included in

18 the funding -- the final plan funding.

19 BY MS. COLLARI TROAKE:

20 Q. Assuming that at the time that the

21 final plan is approved, the final budgetary plan

22 is approved, --

23 A. Right.

24 Q. -- that an item is still in the blue

PART 15

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 plan column. Okay?

2 A. Yes.

3 Q. Would it be in the number in the final

4 plan?

5 A. Likely not.

6 MS. COLLARI TROAKE: This will be 10.

7 (WHEREUPON, a certain document was

8 marked Woidat Deposition Exhibit

9 No. 10, for identification, as of

10 4-10-07.)

11 BY MS. COLLARI TROAKE:

12 Q. Mr. Woidat, I have put in front of you

13 what has been marked as Exhibit 10. Can you let

14 me know whether you recognize that document, and

15 it is actually three separate spreadsheets, and

16 they are just stapled together for my convenience.

17 They weren't produced in that way.

18 A. Okay.

19 Q. Do you recognize those?

20 A. No. I mean, they appear to be

21 develop -- development cost summaries for ABT-594

22 for various benchmarks, but I don't -- I don't

23 recall anything specifically about these

24 documents. I may have seen them. I don't know.

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 A. Yes.

2 Q. The APU, I think that we have already

3 established, is April update, right?

4 A. Yes.

5 Q. Okay. On this Development Cost

6 Summary, which is April 2001, the month after the

7 agreement is signed, right? The total program

8 costs under "Other Support Costs" for the 2001

9 Plan and the 2001 APU are both 9.3 million. Do

10 you see that?

11 A. Yes.

12 Q. Do you have any understanding as to why

13 this Development Cost Summary, the April update

14 about a month after the agreement is signed,

15 doesn't reflect the 35 million in the Development

16 Cost Summary that was provided to John Hancock?

17 MS. GUZELSU: Objection.

18 BY THE WITNESS:

19 A. I don't.

20 BY MS. COLLARI TROAKE:

21 Q. Did you ever have any discussions with

22 anyone internally at Abbott as to why there was a

23 difference between the 2001 Plan number for 594

24 and what John Hancock was told in the 2001 annual

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 says, "2001 Plan Cost." Do you see that?

2 A. I am sorry?

3 Q. That's the one that you have in your
4 hand.

5 A. Okay. I need a -- I am getting to the
6 point where I need a file document management
7 system here. Okay. I'm sorry.

8 Q. "2001 Plan Costs," do you see that
9 column on the right? There are 2001 Plan Costs
10 and next to that 2001 APU costs.

11 A. Yes.

12 Q. The 2001 Plan Cost for the clinical
13 programs is 6.2 million, right?

14 A. Yes.

15 Q. And if you look back at Exhibit 4, the
16 Development Cost Summary provided to John Hancock,
17 the summary for -- the total for clinical programs
18 is 26.2 million. So roughly four times as much?

19 A. Yes.

20 Q. When you were doing your analysis that
21 we looked at in Exhibit 3 on March 21st related to
22 the April update --

23 A. Yes.

24 Q. -- a difference of that magnitude with

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 respect to clinical programs, a fourfold
2 difference, would that not have been one of the
3 items that would have caused you to propose an
4 adjustment to the budget of 9.3 million for this
5 particular compound?

6 MS. GUZELSU: Objection.

7 BY THE WITNESS:

8 A. If I thought there was an error in the
9 budget to the magnitude of \$9 million, I would --
10 I would -- I would follow-up on that, but I -- as
11 far as the document here that has the higher
12 \$26 million in this document, I don't have
13 knowledge as to what the -- where this document
14 came to what the underlying assumptions were. So
15 I don't -- and this is hypothetical.

16 BY MS. COLLARI TROAKE:

17 Q. Well, I mean, the document is not
18 hypothetical. It says 26 million, right,
19 Exhibit 4?

20 A. Right.

21 Q. And I guess my question -- maybe I can
22 restate it and see if we can get to an answer, is
23 that your analysis with respect to the April
24 update that we looked at, Exhibit 3, and if you

PART 16

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 want to pull out Exhibit 3, you can do that, there
2 were no proposed adjustments with respect to 594,
3 right?

4 A. In the April update?

5 Q. That spreadsheet attached to your March
6 21 e-mail. Right?

7 A. Right.

8 Q. If there had been something that would
9 have caused the 2001 Plan to increase by four
10 times with respect to clinical programs --

11 A. Sure.

12 Q. -- would that not have come to your
13 attention and been part of your proposed
14 adjustment for the April update?

15 A. Well, I would want to have an
16 understanding of what the -- the -- what the
17 underlying activities are. So as I look at these
18 two documents that we are looking at, the \$26
19 million in comparison to the \$6 million, there
20 clearly seems to be studies that are listed on
21 the -- on the Hancock document that aren't listed
22 here. So --

23 Q. But if this is an Abbott document in
24 Exhibit 4 that was provided to John Hancock that

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 includes 2001 Plan Costs for 594, and it's
2 indicating for clinical programs four times what
3 is represented in the April update Development
4 Cost Summary and for the total for this
5 Development Cost Summary for 2001 showing four
6 times what the budget for 2001 said and what your
7 analysis of March 21st shows, wouldn't it have
8 come to your attention if there had actually been
9 a differential of four times with respect to the
10 expected spending for 594?

11 A. As I think that I stated earlier, I
12 don't recall seeing the Hancock documents. So I
13 guess that's where I am saying that it's
14 hypothetical in terms of what we are seeing in
15 this document.

16 The April update came at a later time,
17 and my e-mail here is commenting here on
18 adjustments to the April update as it's being
19 prepared. This is in the March time frame.

20 So I would assume that this might not
21 even be the final update. Just an iteration. So
22 I guess this is the 2001 update, and this is a
23 document that I am not familiar with. So maybe I
24 am not understanding the question.

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 Q. But the document attached to Exhibit 4
2 that we are talking about, the one to your right,
3 about that 594 is a document provided by Abbott
4 Labs in relation to the agreement. It indicates
5 on its face that Abbott is planning on spending
6 for 2001 with respect to 594 a total of 35
7 million, correct? The total on the page says, "35
8 million," right?

9 A. Yes, yes.

10 Q. Okay. Your March 21st e-mail dated a
11 week after this agreement has no indication
12 anywhere near 35 million spending for ABT-594,
13 right?

14 MS. GUZELSU: Objection. 26 million? Oh,
15 you mean total spending?

16 MS. COLLARI TROAKE: Total 35 million.

17 MS. GUZELSU: Okay. I am sorry.

18 BY THE WITNESS:

19 A. So my -- I am sorry. So my e-mail has
20 the --

21 BY MS. COLLARI TROAKE:

22 Q. Your e-mail has 2001 final plan numbers
23 and 2001 April update numbers and proposed
24 adjustments, right, and for 594 it's 9.3 with no

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 proposed adjustments?

2 A. 9.3, yes.

3 Q. Now, if Abbott was really intending to
4 spend four times 9.3 million on 594 as they have
5 indicated in this document that they gave to John
6 Hancock, would that not have come to your
7 attention in the course of the budgeting process?

8 MS. GUZELSU: Objection.

9 BY THE WITNESS:

10 A. I think that my -- my reference point
11 would have been the 2001 Plan, which is in this
12 document.

13 BY MS. COLLARI TROAKE:

14 Q. That's not my question. My question
15 is: If Abbott intended to spend more than what
16 was in the 2001 Plan, something changed at or
17 around the time that you are doing the April
18 update that would have caused the estimated spend
19 for 594 to increase by four times for 2001,
20 wouldn't that have come to your attention?

21 MS. GUZELSU: Objection.

22 BY THE WITNESS:

23 A. I don't know.

24 BY MS. COLLARI TROAKE:

PART 17

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 record at 3:04 p.m. This is Tape 5.

2 (WHEREUPON, a certain document was

3 marked Woidat Deposition Exhibit

4 No. 11, for identification, as of

5 4-10-07.)

6 BY MS. COLLARI TROAKE:

7 Q. I am going to give you what has been

8 marked as Exhibit 11.

9 A. Okay.

10 Q. Let me know whether you recognize that

11 document, please?

12 A. Okay. This appears to be a

13 communication between myself and Jenny Dart

14 exchanging some information relating to -- I am

15 assuming the 2001 update budget assumptions.

16 Q. Okay. And do you recognize the

17 attachments, the two charts attached to the

18 e-mail?

19 A. No. But it appears to be some

20 information that Jenny and her colleagues in the

21 portfolio analysis were tracking or analyzing.

22 Q. Okay. And in your e-mail to her on the

23 first page, April 12, 2001, right?

24 A. Yes.

Wodiat, Thomas Edward (Linked) 4/10/2007 9:23:00 AM

1 "indication," which is listed for some of the
2 compounds under that column?

3 A. I believe it's -- it's likely the
4 project is geared towards gaining approval for a
5 given indication, a therapeutic indication.

6 Q. Okay. And looking at the last page of
7 that exhibit, you will see probably a quarter from
8 the bottom there's a bunch of compounds related to
9 pain, and one of them is 594. Do you see that?

10 A. I do.

11 Q. And if you go to the right and the
12 second to the last column which is headed "2001
13 Plan," it says, "9.3 million," right?

14 A. Okay. I am sorry. The second -- 2001.
15 Yes. I see that.

16 Q. Okay. It doesn't say 35 million,
17 right?

18 A. No. It says, "9.3."

19 Q. And this is April 12, 2001. So roughly
20 a month after the Hancock agreement was signed
21 it's still saying 9.3 million for 594, right?

22 A. Yes.

23 (WHEREUPON, a certain document was
24 marked Woidat Deposition Exhibit

1

Woidat Deposition Exhibit 1

P's Exhibit LW

-NOV. 20. 2003 8:23AM

NO. 1275 P. 20

ANALGESIA VENTURE**2001 PLAN****Revised 1/26/01**

To:

John Leonard
Chris Silber
George Carter
Bruce McCarthy
Mike Blamesen
Steve Cohen
Mike Higgins
Mike Comilla
Matt Russell
Tom Woldat
Barbara Massa
Marleen Verhinden

Highly Confidential



ABBT0503356

NOV. 20. 2003 8:23AM

NO. 1275 P. 21

**Analgesia Venture
2001 PLAN Review (Pass II)
Table of Contents**

1	Summary of Projects
2	ABT-594 Key Statistics
3	ABT-594 Grants
4-5	ABT-594 Project Expense
6	ABT-089 Key Statistics
7	ABT-089 Grants
8	ABT-089 Project Expense
9	NPS 1776 Key Statistics
10	NPS 1776 Grants
11	NPS 1776 Project Expense
12	ABS-103 Key Statistics
13	ABS-103 Grants
14	ABS-103 Project Expense
15	ABT-963 Key Statistics
16	ABT-963 Grants
17	ABT-963 Project Expense
18	Venture Functional Expense
19	Blue Plan Summary

NOV. 20. 2003 8:24AM

NO. 1275 P. 22

7

Analgesia Venture
Summary
2001 PLAN Pass II

	2001 Target	2000 AGU	2001 PLAN	Target vs PLAN Fav(Unfav) Var
ABT - 594	8,900	14,411	9,307	(407) a
ABT - 089	"	3,000	613	(613) b
NPS 1776	"	"	537	(537) c
ABS - 103	"	"	"	" b
ABT - 963	"	4,000	1,186	(1,186) b
Venture Total	<u>8,900</u>	<u>21,411</u>	<u>11,643</u>	<u>(2,743)</u>

a Includes a \$120,000 charge from SPD not in Oracle

b Completion of work started in 2000, bringing it to a logical holding position.

c Includes a \$490,000 charge from SPD included in Oracle in error.

[illegible]

3.

NOV. 20. 2003 8:24AM

NO. 1275 P. 25

PHARMACEUTICAL PRODUCTS RESEARCH AND DEVELOPMENT
2000 AUGUST UPDATE / 2001 PLAN
G0-143010 CCM ABT594 (BASE & ORAL PAIN)

	(\$000)				
	2000	2000	FAV/(UNFAV) AUG. UPD VS. APR. UPD.	2001 PLAN	FAV/(UNFAV) PLAN VS. AUG. UPD.
	APU	AGU			
26-Jan-01					
4:04 PM					
PPD INVESTIGATIONAL DR					
PPD Investigational Drug QA	23	55	(32)	86	(32)
	23	55	(32)	86	(32)
Venture Management					
Analgesia/CCM Venture	4,739	4,493	246	3,988	505
	4,739	4,493	246	3,988	505
Discovery					
Advanced Technology	25	50	(25)	26	24
Neurological & Urological Res	---	---	---	51	(51)
	25	50	(25)	77	(28)
Drug Safety					
Experimental Science	23	70	(46)	187	(118)
Clinical Drug Analysis	290	290	---	409	(120)
Toxicology	1,366	896	471	233	663
Pathology	604	572	32	493	79
Comparative Medicine	591	591	---	34	557
Strategic & Exploratory Science	4	---	4	7	(7)
	2,877	2,417	460	1,362	1,055
Pharm Analytical R&D					
ANALYTICS DEV & SUPPORT	791	879	(88)	641	238
FORMULATION DEV & SUPPORT	764	745	19	226	519
CLINICAL FINISHING	403	607	(204)	145	462
PROJECT MGMT SUPPORT	197	178	20	63	115
	2,155	2,409	(254)	1,075	1,334
PHASE-I CENTER					
Phase-I Admin/Pharmacokinetics	185	185	---	259	(74)
ACPRU	23	25	(2)	367	(343)
	208	210	(2)	627	(417)
Development Operations					
Data Management	475	475	---	259	216
Statistics	160	171	(11)	129	42
ABBOTT RES & LIBRARY INF-ARL	89	89	---	140	(51)
	724	735	(11)	528	207
Regulatory Affairs					
Regulatory Affairs	20	20	---	151	(131)
Research QA	131	80	50	82	(1)
	151	100	50	232	(132)
Medical Affairs					
Genetics/Admin	---	---	---	2	(2)
Medical Services	53	53	---	10	43
Outcomes Res./Admin.	42	42	---	37	5
	95	95	---	49	46
Administration					
R&D Operations/Project Services	75	43	32	45	(2)
	75	43	32	45	(2)
AI MANPOWER					
International Manpower	50	20	30	53	(33)

Friday, January 26, 2001 4:04:48 PM

PROJECT GLOBAL PPD REPORT BY PROJ SUBDIV

Page 1 of 4

Highly Confidential

ABBT0503361

NOV. 20. 2003 8:24AM

NO. 1275 P. 26

2000 AUGUST UPDATE / 2001 PLAN
GO-143010 CCM ABT594 (BASE & ORAL PAIN)

	(S000)		FAV/(UNFAV) AUG. UPD VS. APR. UPD.	2001 PLAN	FAV/(UNFAV) PLAN VS. AUG. UPD.
	2000 APU	2000 AGU			
26-Jan-01 4:04 PM	50	20	30	53	(33)
PPD R&D SERVICES PURCH					
SPD Services Purchased	235	235	---	---	235
	235	235	---	---	235
CLINICAL GRANTS					
CLINICAL GRANTS	3,000	2,800	200	1,065	1,735
	3,000	2,800	200	1,065	1,735
	14,357	13,661	696	2,187	4,474

SPD

120
9,307

Friday, January 26, 2001 4:04:48 PM

Page 2 of 4

PROJECT GLOBAL PPD REPORT BY PROJ SUBDIV

Highly Confidential

ABBT0503362

Woidat Deposition Exhibit 2

P's Exhibit MB

Part 1



Abbott Laboratories
Interoffice Correspondence

From: Matt Russell
PPD R&D Finance
D-404, AP9 Ext. 5-3482
Date: March 2, 2001

TO: Bob Funck	D-404 AP9	Mike Higgins	D-404 AP9
Tom Woidat	D-404 AP9	Mike Comilla	D-404 AP9
Kirnes Holland	D-404 AP9	Paula Bourland	D-404 AP9
Mischelle Vidakovic	D-404 AP9		

Subject: 2001 PLAN FINAL Reference Package

Attached you will find a copy of the 2001 PLAN FINAL Reference Package. This package has consolidated many of the key schedules we used in the PLAN. Hopefully, this will make referencing numbers from the PLAN easier for everyone. Please let me know if you have any questions.

HIGHLY

CONFIDENTIAL
ABBT 0037509



2001 PLAN

FINAL Reference Package

Data as of February 16, 2001

**HIGHLY
CONFIDENTIAL
ABBT 0037510**

2001 PLAN Reference Package

Table of Contents

<u>Descriptions</u>	<u>Page #</u>
FINAL OpCost (As of 2/9/2001)	
- Summary Pages	1-5
- Monthly Gaiting	6-11
- Grant Gaiting	12-17
- All Other OpCost Pages	18-27
Key Issues in 2001	
- Plus/Minus List	28
- Funded/Unfunded Studies by Compound	29-30
- Key Statistics (Final Venture Pkgs.)	31-46
- Spending by Phase of Development	47-48
Target Detail/Book Pages to Division	
- R&D Summary	49
- Global/Domestic Split (Page 100)	50
- Global AI Split (not submitted to Div.)	51
- Corp. Submission vs. FINAL PLAN Targets	52
- McKinsey Expense Summary (Potential Savings)	53
- R&D Executive Summary	54-55
Other Miscellaneous Schedules	
- PLAN Gaiting Rollforward (Gross & Net)	56-57
- Project Funding by Phase	58
- Expense Summary (AI/PPD Splits)	59
- Detail of "Other"	60
Task Backup/Rollforwards	61-62
Headcount	63-68
Capital	
- Final PLAN	69-72
- Task Related	73
Balance Sheet	74-75
Depreciation	76
Floorspace	77-79
Miscellaneous Fixed Expenses (Burden File)	80-84
Key Unfunded List	85

Note: IDV's were issued in a separate package on 1/5/2001.

L:\GROUP\Russell\Title Pages for Packages\Table of contents ref. pkg.xls\Sheet1

HIGHLY
CONFIDENTIAL
ABBT 0037511

FINAL OpCost

HHHA
CONFIDENTIAL
ABBT 0037512

2001 PLAN
Pharmaceutical Products Research & Development
Operating Cost Statement
(\$000)

	2000 ACTUALS	09/25/00 FINAL DO AGU	Book 1 ORACLE 2001 PLAN	10/24/2000 PRIOR ADJS	12/01/00-1/30/01 CURRENT ADJS	TOTAL ADJS	FINAL 2001 PLAN	01 PLAN VE DO AGU
Pharmaceutical Discovery	134,725	134,888	145,324	--	(4,668)	(4,668)	140,638	(5,948)
-New Technology (sect # 742-505)	57,438	16,160	16,914	--	(4,465)	(4,465)	12,445	3,714
Total Pharmaceutical Discovery	152,163	150,848	162,238	--	(9,133)	(9,133)	153,083	(2,234)
Drug Safety Evaluation								
-Experimental Sciences	7,541	8,289	10,126	--	(1,507)	(1,507)	8,619	(320)
-Drug Safety Grants	--	970	1,640	--	(1,012)	(1,012)	628	342
-Clinical Drug Analysis	5,788	5,893	5,588	--	(459)	(459)	5,129	664
-Drug Safety Grants	--	671	385	--	(183)	(183)	200	473
-Toxicology	6,821	7,850	7,209	--	(740)	(740)	6,469	1,351
-Drug Safety Grants	--	3,511	2,186	--	(702)	(702)	1,486	2,025
-Pathology	3,617	3,901	3,597	--	127	127	3,724	(177)
-Drug Safety Grants	--	800	--	--	220	220	220	--
-Comparative Medicine	11,132	10,983	11,219	--	(197)	(197)	11,022	1,110
-Admin & Strategic	880	915	894	--	(87)	(87)	807	73
-Strategic & Exploratory Science	3,377	3,423	3,787	--	(345)	(345)	3,442	(119)
Total Drug Safety Evaluation	39,176	41,124	42,520	--	(3,208)	(3,208)	39,312	1,222
Medical Affairs								
-Genetics/Admin	4,181	4,610	5,645	--	(2,783)	(2,783)	2,842	1,767
-Medical Services	6,986	6,675	7,454	--	(56)	(56)	7,398	(412)
-Clinical Pharm	--	--	--	--	--	--	--	--
-Outcomes Res/Admin	1,430	1,358	1,542	--	201	201	1,743	(303)
-Phase IV	6,201	6,137	6,845	--	61	61	6,706	431
Total Medical Affairs	20,798	18,780	21,286	--	(2,487)	(2,487)	18,789	1,997
Information Mgmt & Technology								
-Resource Management	--	--	--	--	--	--	--	--
-Client Management	1,654	2,055	2,471	--	(7)	(7)	2,464	(109)
-Technology Management	44,502	44,763	48,529	--	(1,484)	(1,484)	47,045	1,717
-Emerging Tech Mgt	--	--	--	--	--	--	--	--
-I M & T Admin	719	558	840	--	--	--	840	(121)
Total Information Mgmt & Technology	46,871	47,376	51,840	--	(1,491)	(1,491)	50,349	(2,469)
Development Operations								
-Data Management	8,404	8,529	10,447	--	(3,368)	(3,368)	7,119	1,285
-Statistics	6,009	6,077	6,826	--	(1,590)	(1,590)	6,436	641
-Abbott Res & Lib Info Svcs-ARLIS	3,052	3,243	3,607	--	(555)	(555)	3,251	796
Total Development Operations	17,465	17,849	20,880	--	(5,513)	(5,513)	16,606	1,243
Venture Management								
-Cardiovascular/Diabetes (CD)	55	172	122	--	(122)	(122)	--	172
-Anti - Infective	5,783	5,381	9,439	--	(787)	(787)	8,732	(656)
-Anti - Viral	13,597	9,491	10,203	--	252	252	10,455	(1,958)
-Antipsychotic/CCM	2,373	2,247	3,334	--	2,414	2,414	5,748	(3,375)
-Urology	2,628	2,660	3,756	--	(1,728)	(1,728)	2,021	607
-Molecular Therapeutics	2,639	3,102	--	--	--	--	--	2,639
-Neuroscience/Oncology	--	--	--	--	--	--	--	--
-Oncology & Transplant (Cancer Mgmt)	6,450	6,655	6,574	--	810	810	7,384	(729)
Total Venture	33,726	28,708	33,422	--	828	828	34,350	(522)
Administration	16,853	18,312	20,312	--	(600)	(600)	19,652	1,660
Pharm Analytical R&D	62,454	63,142	62,721	--	(3,668)	(3,668)	58,853	3,591
Regulatory Affairs	9,119	9,008	10,070	--	(648)	(648)	8,422	586
Phase-I Center	8,990	8,585	14,068	--	(4,396)	(4,396)	8,570	320
Total Functional	408,706	406,751	440,797	--	(30,512)	(30,512)	410,285	(1,579)
Int'l - Manpower	3,860	3,988	6,567	(2,462)	--	(2,462)	4,105	(117)
Clinical Grants								
-Domestic	103,780	109,231	139,785	(26,467)	4,710	(21,757)	118,028	9,753
-Adjustment	--	(848)	--	--	--	--	--	848
Total Clinical Grants	103,780	108,383	139,785	(26,467)	4,710	(21,757)	118,028	9,753
Services Purchased	52,599	57,834	63,226	(6,127)	(9,827)	(15,954)	47,272	5,567
SPD Purchases	54,991	63,921	63,467	(5,110)	(4,822)	(10,032)	53,435	1,556
Corporate Task	--	--	8,100	--	(8,100)	(8,100)	--	8,100
Judgment - Internal	--	(10,930)	(27,894)	20,977	12,977	33,954	5,060	(18,980)
Judgment - Published	--	(1,642)	(30,100)	5,000	15,300	20,300	(9,800)	(15,100)
Gabril reimbursement from Comenard	--	--	--	--	--	--	--	--
Hand Post/Flash to Actual Adjustment	--	--	--	--	--	--	--	--
Other Project Changes:								
Total Project Changes (For Exp Cat)	--	--	--	--	--	--	--	--
Total Gross Expense	626,636	626,307	663,948	(14,189)	(20,374)	(34,563)	629,385	(11,722)
Services Sold	(248,043)	(251,577)	(253,911)	(2,411)	12,304	9,893	(244,018)	(7,559)
Net Total	378,593	374,730	410,037	(16,606)	(8,070)	(24,670)	385,367	(10,637)
Target:	375,593	374,730	410,037	(16,606)	(8,070)	(24,670)	385,367	(10,637)

HIGHLY
CONFIDENTIAL
ABBT 0037513

2001 PLAN
Pharmaceutical Products Research & Development
Services Purchased
(\$000)

	2000 ACTUALS	09/25/00 FINAL 00 AGU	Book I ORACLE 2001 PLAN	10/24/2000 PRIOR ADJS	12/01/00-1/30/00 CURRENT ADJS	TOTAL ADJS	2001 PLAN	01 PLAN VS 00 AGU
Patents & Trademark	5,564	5,585	5,978	74		74	6,050	(485)
Satellite Copy Charges	556	555	549	(10)		(10)	539	18
Corp Admin Fixed	4,800	4,995	5,126	102	217	319	5,445	(450)
Corp Cost Pools	5,031	5,175	5,231	(102)	(59)	(161)	5,070	105
CHMD Services Purchased Fixed (AHD)	193	197	187	(1)		(1)	196	1
PPD Ops Fixed Allocations	2,807	2,522	3,232				3,232	(710)
CENG - Fixed Maintenance from PPD Ops	948	947	899				899	48
CHEN Variable (EMVCS)	323	141	147				147	18
CMIS - Purchasing	897	897	733	14		14	747	(50)
CHMS Telecommunications	116	116	116	2	12	14	130	(14)
Fixed L.C. Exp - Admin Services	415	410	427	(1)	(5)	(6)	421	(11)
Corp Eng EHS Fixed Allocation	559	558	597				597	(39)
TOTAL CORPORATE ALLOCATION	21,869	21,478	23,230	78	165	243	23,473	(1,595)
CMIS - Unit of Activity, Fixed - Other	3,012	2,263	3,681	(747)	(447)	(1,194)	2,667	(404)
CMIS - Unit of Activity, Fixed - Aegis	2,082	2,890	2,100				2,100	790
PPD Personnel DGA-47	2,512	2,456	2,600		1	1	2,601	(145)
PPD Mfg Ops - Allocation	60	60	60	3		3	63	(3)
PPD Ops QA Int Svcs/Reg Affairs	1,438	1,438	1,942				1,942	(504)
PPD Ops Returned Goods	130	131	136				136	(6)
Project Expense (\$1MM)	10,815	11,208	11,208	(816)	(4,495)	(4,108)	7,099	(4,108)
TOTAL BURDEN FILE	41,898	42,324	45,137	(1,280)	(3,776)	(5,056)	40,081	(2,249)
SPD Pilot Plant Slack Card	20,928	20,960	21,195	4,632	(1,330)	3,302	24,497	(1,537)
SPD Bulk Direct	24,805	33,681	32,982	(12,674)	(2,880)	(15,554)	17,328	(16,353)
Excess Capacity Slack Card	9,150	9,280	9,280	2,932	(502)	2,330	11,610	(2,330)
Subtotal SPD (Other than TAP)	54,991	63,921	63,467	(6,110)	(4,922)	(10,932)	53,435	(10,486)
Grant/Out of Pocket Purchases:								
TAP Bulk Drug (D-TAP)	47	125	125	(41)		(41)	84	(77)
TAP - SPD Manpower & Bulk (D-453)	211	450	450	(205)		(205)	245	(205)
Pharmacogenetics - ADD Allocation								
Misc Expense								
Subtotal (For Exp Cat)	228	675	675	(246)		(246)	329	(246)
Other Purchases:								
Chari Once-A-Day (Global AJ Manpower)	10,189	11,393	11,677	2	(3,916)	(3,914)	7,763	(1,630)
Corp Drug User Fees	1,818	1,951	1,838	(631)		(631)	1,207	(744)
Patent to Operations (search services)	200	200						200
D-AS4 Floor Space (not in functionals)	377	405			182	182	182	(223)
D-AS4 Deprec (not in functionals)	(501)	1,864	3,033		(49)	(49)	2,984	(1,120)
Molecular Probes	(8)	7	7				7	(7)
Inventory Transfer for Protease 2nd Gen		(5,726)						(5,726)
SDG/Other	877	8,267	5,000	(5,000)		(5,000)		8,267
Clinical Supplies (Tricia Geran -PPD Ops)	5	200	200				200	
Aegis Charges	228							
Library (D441) to CHMS								
QA (D44N) to Operations	1,207	1,448	1,500				1,500	(293)
Sangstat (Cyclosporine)		(2,400)	(360)		360	360		(360)
Sangstat (Sangcyte)		967						967
Gabril Royalty								
Ritonavir/LaRche Combo								
NOVO Settlement	(1,500)	(1,500)						(1,500)
Merabrex	(888)	(888)						(888)
FLAP/Vanguard	(818)	(818)						(818)
Sanofi Cord Shering w/Gabril		(150)						(150)
Ci charge from OPS (Cin Val Mgr) * \$49		171						171
Contract Management System	47							47
HPD R&D Purchased	411							411
Yale Univ. - Survival Patent	2							2
Staples Rebates	(63)							(63)
Triangle receipt \$2,935 + \$325 for 1999	(3,432)	(2,914)	(5,381)				(5,381)	(2,467)
Serindole License								
Comdisco	2,440	2,440						2,440
Hydrocodone (DDV-In from HPD)				4,028	(4,028)			
CRO Rebates	(381)			(3,000)		(3,000)	(3,000)	(3,000)
Gabril Reimbursement from Commercial					1,400	1,400	1,400	(1,400)
Other	38							38
Subtotal (For Exp Cat)	10,473	14,335	17,514	(4,601)	(6,051)	(10,652)	6,862	(6,873)
Grand Total	107,536	121,755	128,693	(11,237)	(14,749)	(25,986)	100,707	(21,048)

HIGHLY
CONFIDENTIAL
ABBT 0037514

2001 PLAN
Pharmaceutical Products Research & Development
Services Sold
(\$000)

02/19/01
06:29 AM

	2000 ACTUALS	09/25/00 FINAL 00 AGU	Book I ORACLE 2001 PLAN	10/24/2000 PRIOR ADJS	12/01/00-1/30/00 CURRENT ADJS	TOTAL ADJS	2001 PLAN	01 PLAN VS. 00 AGU
General Benefit								
-Global Pharmaceutical	183,788	183,788	193,857	4,813	(12,000)	(7,187)	186,670	(2,902)
Direct Sister Benefit								
-R&D Sci Serv.	3,619	4,478	2,571	55	(242)	(187)	2,384	2,094
-Direct Service	4,125	3,794	3,975	(175)	---	(175)	3,800	(6)
Total Direct Support	7,744	8,272	6,546	(120)	(242)	(362)	6,184	2,088
Total Int'l Sister Div.	191,532	192,060	200,403	4,693	(12,242)	(7,549)	192,854	(816)
TAP Judgment (Positive Controls)								
TAP Bulk Drug (D-TAP)	17	125	125	(41)	---	(41)	84	61
TAP - SPD Manpower & Bulk	211	450	450	(205)	---	(205)	245	229
TAP - All Other	20,715	23,359	20,170	(575)	261	(314)	19,856	2,303
Total TAP (Incl. Judgment)	20,943	23,934	20,745	(621)	261	(360)	20,485	3,448
Domestic Sister Divisions:								
HPD	9,442	10,575	9,689	(950)	95	(855)	8,834	641
ADD	2,268	1,896	2,340	43	---	43	2,383	487
SPD	4,312	4,684	4,810	(719)	818	99	4,909	125
ROSS	186	663	1,851	40	64	104	1,955	292
CPD	3	39	42	---	---	---	42	39
MIS	69	71	69	5	---	5	74	5
AHD	---	---	---	---	---	---	---	---
CHMS Library Services	---	---	---	---	---	---	---	---
Corp. Eng.	20	2	---	---	---	---	---	---
Subtotal	16,300	17,930	18,801	(1,581)	977	(604)	18,197	234
Other Sister Divisions:								
Corp. Admin.								
-Corp. Admin.	71	42	23	1	---	1	24	48
-Tap Rate Diff	481	461	485	---	---	---	485	24
-Symposium Expense	155	155	165	---	---	---	165	10
Subtotal CHAD	687	658	673	1	---	1	674	19
PPD Product R&D:								
Mfg Support (MC,PM)	14,283	10,780	12,096	119	---	119	12,215	112
Mfg Support (PV)	124	285	263	---	---	---	263	122
PPD Marketing (PS,PS)	4,658	5,414	4,920	---	(1,300)	(1,300)	3,620	3,620
Subtotal Other	19,065	16,479	17,279	119	(1,300)	(1,181)	16,098	3,381
VAT Refund	537	537	---	---	---	---	---	---
PARD Services Sold Impact (Judgement)	---	---	(3,990)	---	---	---	(3,990)	---
Rounding	(1)	(1)	---	---	---	---	---	---
Grand Total	249,043	251,577	253,911	2,411	(12,304)	(9,893)	244,018	7,559

Memo:

INPUT Global AI from DetRoll file	N/A	183,788	192,857	N/A	N/A	N/A	186,670
Calculated above	N/A	183,788	192,857	N/A	N/A	N/A	186,670
Key Check (s/b 0)	N/A	---	---	N/A	N/A	N/A	---
INPUT From J:Drive File	N/A	210,626	219,877	N/A	N/A	N/A	211,725
Calculated above	N/A	210,626	219,877	N/A	N/A	N/A	211,725
Key Check (s/b 0)	N/A	(2)	---	N/A	N/A	N/A	---
Sister Division Amount							
INPUT From DetRoll file	N/A	67,809	64,044	N/A	N/A	N/A	61,336
Calculated above	N/A	67,809	60,054	N/A	N/A	N/A	57,348
Key Check (s/b 0)	N/A	---	3,990	N/A	N/A	N/A	3,990
Sister Division Reconciliation							
Sister Division Memos -Oracle	N/A	67,809	60,054	N/A	N/A	N/A	57,348
BP - Blue Plans	N/A	49,144	57,354	N/A	N/A	N/A	104,224
DC - Div Computing/Systems	N/A	13,730	13,850	N/A	N/A	N/A	20,079
DO - Department Overhead	N/A	50	50	N/A	N/A	N/A	50
GO - Global Delivery	N/A	328,237	345,312	N/A	N/A	N/A	299,564
GD - Global Discovery	N/A	16,719	90,107	N/A	N/A	N/A	94,827
P1 - Pharmaceutical Products	N/A	44,893	59,654	N/A	N/A	N/A	38,962
TG - Triangle	N/A	3,011	5,481	N/A	N/A	N/A	5,461
TAP Pass Thru & Bulk Drug not in Orac	N/A	---	---	N/A	N/A	N/A	---
Other Judgement	N/A	---	---	N/A	N/A	N/A	3,990
Total	N/A	603,393	631,842	N/A	N/A	N/A	624,505
INPUT Total Per Oracle	N/A	600,093	631,253	N/A	N/A	N/A	624,471
Variance	N/A	3,300	589	N/A	N/A	N/A	34

HIGHLY
CONFIDENTIAL
ABBT 0037515

2001 PLAN
Pharmaceutical Products Research & Development
Clinical Grants
(\$000's)

02/19/01
08:07 AM

	2000 ACTUALS	09/25/00 FINAL 00 AGU	Book 1 ORACLE 2001 PLAN	10/24/2000 PRIOR ADJS	12/01/00-1/30/00 CURRENT ADJS	TOTAL ADJS	FINAL 2001 PLAN	2001 PLAN 00 AGU
PPD SERVICE:								
Tiagabine/Gabitril	(80)	2,600	1,900	...	(1,900)	(1,900)	...	2,600
Omnicef	...	...	4,800	(2,000)	200	(1,800)	3,000	3,000
Depakote/Depakene	15,319	14,589	11,174	...	(1,733)	(1,733)	9,441	9,441
r-Pro-UK	(45)	(45)	...	...	...	...	...	(45)
Fenofibrate (Fournier)	799	(160)	2,250	...	(2,211)	(2,211)	39	(49)
Hematin	407	...	...	...	600	600	600	(600)
PharmacoGenetics (Genset)	...	200	200	...	...	...	200	...
TOTAL PPD SERVICE	16,400	17,184	20,324	(2,000)	(5,044)	(7,044)	13,280	5,904
GLOBAL SERVICE:								
Ritonavir ABT-538	2,715	4,382	1,752	...	(508)	(508)	1,244	3,128
Protease 2nd Gen ABT-378	30,884	30,362	13,379	...	9,196	9,196	22,575	7,777
Dopamine	...	...	...	...	...	...	...	...
KCO ABT-598	...	...	...	...	380	380	380	(380)
ABT-594 (formerly CCM)	2,106	2,800	13,760	(13,051)	356	(12,695)	1,065	1,745
ABT-089 (formerly ChCM)	...	...	1,628	...	(1,628)	(1,628)	...	...
Clarithromycin	2,314	4,448	4,210	...	(1,270)	(1,270)	2,940	4,658
Ketolide ABT-773	23,093	23,137	46,382	...	1,023	1,023	47,405	24,235
Prokinetic Macrolide - Dom	...	...	...	...	...	...	...	...
Zileuton & 2nd Generation	...	...	...	...	...	...	...	...
BPH ABT-980	13,855	14,058	16,678	(11,416)	(5,262)	(16,678)	...	1,128
Cyclosporine	7,831	7,560	1,300	...	(307)	(307)	993	9,567
H2G (Medivir)	63	...	...	...	...	...	...	...
Endothelin	2,066	2,440	8,794	...	10,457	10,457	19,251	19,911
NS 49 Nippon Shinyakyo ABT-23	357	633	...	...	...	...	...	357
Bimoclomol (Bloxex)	...	...	...	...	...	...	...	...
Anti-Mitotic ABT-751	...	...	2,091	...	(1,066)	(1,066)	1,025	(1,025)
Hytrin	...	...	...	...	...	...	...	...
FTI (Farnesyltransferase)	...	...	...	...	...	...	...	...
MMPI (Metalloprotease)	116	231	1,346	...	(228)	(228)	1,118	(872)
Taxane	...	...	...	...	...	...	...	...
TSP Peptide	843	968	1,710	...	(89)	(89)	1,621	(63)
Quinolone	580	638	5,000	...	...	...	5,000	4,862
Cox II	157	131	784	...	(653)	(653)	131	...
Neuraminidase	123	...	...	...	...	...	...	...
Adjustment (EVR)	...	(846)	...	...	...	...	...	(846)
TOTAL GLOBAL SERVICE	87,203	90,942	118,814	(24,467)	10,401	(14,066)	104,748	43,806
MISC:								
Vitamin D Analog/Iron Dextran	...	76	...	...	...	...	...	76
Isotretinoin/Norvir Investigation	...	...	...	...	...	...	...	...
Adjustments	...	...	...	...	...	...	...	...
Dexmedetomidine/Zemplar (HPD)	177	183	647	...	(647)	(647)	...	183
Tranxene Reformulation	...	...	...	...	...	...	...	...
Biaxin Reformulation	...	...	...	...	...	...	...	...
	177	259	647	...	(647)	(647)	...	259
GRAND TOTAL GRANTS	103,780	108,385	139,785	(26,467)	4,710	(21,757)	118,028	49,612

L:\GROUP\PLANNING\2001 PLAN\2001 FINAL OpCost.YM4

HIGHLY
CONFIDENTIAL
ABBT 0037516

4

2001 PLAN
Pharmaceutical Products Research & Development
Operating Cost Statement
(\$000)

02/19/01
 09:07 AM

	2000 ACTUALS	09/25/00 FINAL 00 AGU	Book 1 ORACLE 2001 PLAN	10/24/2000 PRIOR ADJS	12/01/00-1/30/00 CURRENT ADJS	TOTAL ADJS	FINAL 2001 PLAN	01/19/01 PLAN VS 00 AGU
SDG/Other	877	1,500	3,000	(3,000)		(3,000)	...	1,500
HIV/KnoI/QDI/Other	...	1,000	...	...	...	...	...	1,000
Aegis Insurance	...	952	...	...	...	...	...	952
Genset #1	...	500	...	...	...	...	...	500
IT Productivity Projects	2,000	(2,000)	...	(2,000)	...	...
Neurosearch FTE \$2530, depr \$20
Coactinon
SPD IDV Liponavir	...	607	...	...	...	...	...	607
Triangle R&D
Data Management Absorption	...	1,078	...	...	...	...	...	1,078
Other New Products	...	2,650	...	...	...	...	...	2,650
Quinolone In License Payment
Division Task
HPD R&D Purchased
Total SDG/Other	877	8,287	5,000	(5,000)	...	(5,000)	...	8,287

HIGHLY
 CONFIDENTIAL
 ABRT 0037517

5

PPRD FUNCTIONAL EXPENSE RECONCILIATIONS MONTH - \$ 2001 PLAN														2001 ACT
	01 PLAN	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
Discovery Deals * (742-505)	12,440	---	625	2,015	250	625	2,015	250	625	2,015	250	625	3,151	12,440
All Other Discovery *	140,836	11,481	11,481	11,507	11,527	11,575	11,614	11,614	11,562	12,018	12,036	12,056	11,785	140,836
Subtotal Pharmaceutical Discovery	153,082	11,461	12,106	13,522	11,777	12,200	13,629	11,864	12,587	14,033	12,286	12,681	14,936	153,082
DRUG SAFETY														
Experimental Science	8,819	689	687	714	715	710	732	733	734	721	722	723	723	8,819
Drug Safety Grants (742-200)	628	52	52	52	52	52	52	52	52	53	53	53	53	628
Clinical Drug Analysis	5,129	423	423	424	425	425	431	432	432	428	428	428	429	5,129
Drug Safety Grants	200	17	17	17	17	17	17	17	17	16	16	16	16	200
Toxicology	8,488	524	525	537	537	508	544	545	546	542	543	544	544	8,488
Drug Safety Grants	1,486	124	124	124	124	124	124	124	124	124	124	124	122	1,486
Pathology	3,724	299	300	307	307	308	319	320	320	310	311	311	312	3,724
Drug Safety Grants	220	18	18	18	18	18	18	18	18	19	19	19	19	220
Comparative Medicine	11,022	916	916	917	917	918	918	918	918	920	920	921	921	11,022
Admin & Strategic	907	75	75	75	75	75	75	76	76	76	76	76	77	907
Strategic & Exploratory Science	3,442	284	284	285	285	285	290	290	291	287	287	288	288	3,442
Subtotal Drug Safety	39,312	3,210	3,220	3,259	3,261	3,265	3,309	3,316	3,318	3,284	3,287	3,292	3,292	39,312
MEDICAL AFFAIRS														
Administration (Cin Res - CHS)	2,942	226	227	227	247	248	255	255	256	250	250	251	250	2,942
Medical Services	7,396	596	601	612	614	617	618	620	621	623	624	625	627	7,396
Outcomes Research	1,743	124	124	138	139	138	153	153	154	154	154	155	158	1,743
Phase IV	6,706	497	536	548	558	557	567	573	575	576	577	578	578	6,706
Subtotal Medical Affairs	18,789	1,443	1,478	1,523	1,558	1,561	1,593	1,601	1,606	1,603	1,605	1,609	1,611	18,789
Information Mgmt & Technology														
Resource Management	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Client Management	2,484	203	204	204	205	205	205	206	207	207	207	208	203	2,484
Technology Management	47,045	3,578	3,321	3,472	3,351	3,518	3,433	3,784	3,673	3,842	4,554	4,492	6,229	47,045
I M & T Admin	840	69	69	69	70	70	70	70	70	70	71	71	71	840
Subtotal Information Mgmt & Tech	50,349	3,840	3,594	3,745	3,626	3,739	3,708	4,060	3,950	3,919	4,832	4,771	6,503	50,349
Development Operations														
Data Management	7,118	588	589	590	591	592	593	594	595	596	597	597	597	7,119
Statistics	6,436	526	526	527	528	530	539	541	542	543	544	545	546	6,436
Abbott Res & Lib Info Svcs-ARLIS	3,251	256	268	268	248	249	256	256	256	257	257	248	426	3,251
Subtotal Development Operations	16,806	1,370	1,381	1,383	1,367	1,371	1,388	1,391	1,393	1,396	1,396	1,390	1,569	16,806
VENTURE MANAGEMENT														
Cardiovascular/Diabetes (CD)	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Anti-Infective	8,732	453	457	468	470	480	481	482	3,462	484	485	485	485	8,732
Anti-Viral	10,485	867	868	868	878	871	872	873	873	874	875	876	877	10,485
Anticancer/CCM	5,748	484	499	499	499	500	501	501	450	451	451	451	452	5,748
Urology	2,021	167	167	167	168	168	168	169	169	169	169	170	170	2,021
Molecular Therapeutics	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Neuroscience	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Oncology	7,384	577	578	578	594	616	652	626	629	631	632	632	635	7,384
Subtotal Venture	34,350	2,558	2,579	2,542	2,610	2,636	2,674	2,653	5,803	2,809	2,812	2,815	2,819	34,350
Administration	19,652	1,626	1,829	1,831	1,833	1,835	1,837	1,839	1,841	1,843	1,845	1,847	1,848	19,652
PARC	58,953	4,890	4,881	4,967	4,938	4,971	5,045	4,991	5,042	4,982	5,059	5,045	4,931	58,953
Regulatory Affairs	6,422	673	699	768	786	788	800	811	812	814	815	817	831	6,422
Phase-1 Center	9,670	784	772	777	812	813	815	816	817	819	820	821	824	9,670
TOTAL FUNCTIONAL	410,285	31,852	32,338	34,155	32,367	33,043	34,596	33,141	36,766	35,112	34,259	34,688	37,862	410,285
International Manpower	4,105	287	389	205	287	389	246	452	452	452	431	411	144	4,105
Clinical Grants	118,028	8,273	8,232	10,185	10,458	10,828	11,506	9,804	10,811	10,016	8,787	10,766	10,648	118,028
QASS Services Purchased	100,707	9,076	9,075	8,268	8,742	8,252	6,907	8,252	8,252	8,113	8,717	8,717	8,337	100,707
Corporate Task	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Judgment - Internal	8,060	5,068	2,909	1,344	1,289	2,290	4,725	(1,565)	(3,054)	(2,155)	599	(1,383)	(5,227)	8,060
Judgment - Published	(9,800)	(617)	(617)	(617)	(617)	(617)	(617)	(617)	(617)	(619)	(616)	(616)	(616)	(9,800)
Gabelli reimbursement from Coam	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Hand Post/Flash to Actual Adjustment	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Other Project Changes:	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Gross PPD R&D Expense	629,385	54,339	62,107	53,660	52,324	53,763	57,165	49,267	52,413	50,742	50,077	52,383	50,846	629,385
QASS Services Sold	(244,018)	(21,765)	(20,215)	(20,854)	(20,326)	(20,715)	(21,963)	(19,061)	(20,005)	(18,703)	(19,579)	(20,455)	(19,977)	(244,018)
Net PPD R&D Expense	385,367	33,173	31,892	33,006	31,998	33,048	35,202	30,206	32,408	31,839	30,498	31,928	30,989	385,367
Minor: Quarterly Net Expense	---	---	---	---	---	---	---	---	---	---	---	---	---	---
This line is input judgment plays to the B.	365,367	33,173	31,892	33,006	31,998	33,048	35,202	30,206	32,408	31,839	30,498	31,928	30,989	365,367
		8.61%	8.28%	8.56%	8.30%	8.56%	9.13%	7.84%	8.41%	8.05%	7.91%	8.29%	8.04%	
														385,367

The cost of your drug may vary from the actual cost of the drug plus 15% to the actual cost of the drug plus 50%. The actual cost of the drug is the cost of the drug to the manufacturer. The actual cost of the drug plus 15% is the cost of the drug to the wholesaler. The actual cost of the drug plus 50% is the cost of the drug to the retailer. The actual cost of the drug plus 15% is the cost of the drug to the wholesaler. The actual cost of the drug plus 50% is the cost of the drug to the retailer.

2000 Final AGU	32,133	30,404	35,911	33,136	32,058	45,704	28,013	27,124	29,769	26,703	27,355	28,416	374,730
2000 Actuals	32,133	30,404	35,911	33,136	32,058	45,704	28,013	27,124	29,386	27,095	27,115	27,512	375,593
1999 Actuals (Adjusted for Thrombolytics)	21,427	23,893	23,358	24,205	25,870	24,288	25,642	23,951	28,343	27,940	40,699	315,443	
1998 Actuals	21,582	23,967	27,222	25,213	27,774	25,065	24,495	23,619	26,430	33,783	24,554	42,272	322,225

KEYWORDS: *entrepreneurship, business plan, business model, business strategy, business development, business plan, business model, business strategy, business development*

HIGHLY
CONFIDENTIAL
ABBT 0037518

6

PPRD FUNCTIONAL EXPENSE
RECONCILIATIONS YTD - \$
2001 PLAN

8/20/01
10:00 AM

	01 PLAN	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
Discovery Deals * (742-505)	12,446	--	625	2,640	2,890	3,515	5,530	5,780	6,405	8,420	8,670	8,295	12,446
All Other Discovery *	140,838	11,461	22,942	34,449	45,976	57,551	68,165	80,779	92,741	104,759	116,795	128,851	140,838
Subtotal Pharmaceutical Discovery	153,282	11,461	23,567	37,089	48,866	61,066	74,695	86,559	99,146	113,179	125,465	138,146	153,282
DRUG SAFETY													
Experimental Science	8,619	689	1,386	2,100	2,815	3,531	4,263	4,996	5,730	6,451	7,173	7,896	8,619
Clinical Drug Analysis	5,129	423	848	1,270	1,695	2,120	2,551	2,983	3,415	3,843	4,271	4,700	5,129
Toxicology	6,469	524	1,049	1,566	2,123	2,801	3,205	3,750	4,296	4,838	5,381	5,925	6,469
Pathology	3,724	299	599	908	1,213	1,521	1,840	2,160	2,480	2,790	3,101	3,412	3,724
Comparative Medicine	11,022	916	1,832	2,749	3,665	4,584	5,502	6,421	7,340	8,260	9,180	10,101	11,022
Admin & Strategic	907	75	150	225	300	375	450	526	602	678	754	830	907
Strategic & Exploratory Science	3,442	284	568	853	1,138	1,423	1,713	2,003	2,294	2,581	2,868	3,156	3,442
Subtotal Drug Safety	39,312	3,210	6,430	9,689	12,950	16,215	19,524	22,839	26,157	29,441	32,728	36,020	39,312
MEDICAL AFFAIRS													
Administration (Cin Res - CNS)	2,942	226	453	680	927	1,175	1,430	1,685	1,941	2,191	2,441	2,692	2,942
Medical Services	7,398	596	1,197	1,809	2,423	3,040	3,658	4,278	4,899	5,522	6,148	6,771	7,398
Outcomes Research	1,743	124	248	368	525	654	817	970	1,124	1,278	1,432	1,587	1,743
Phase IV	6,706	497	1,023	1,569	2,125	2,682	3,249	3,822	4,397	4,973	5,550	6,128	6,706
Subtotal Medical Affairs	18,789	1,443	2,921	4,444	6,000	7,581	9,154	10,755	12,361	13,964	15,569	17,178	18,789
Information Mgmt & Technology													
Resource Management	--	--	--	--	--	--	--	--	--	--	--	--	--
Client Management	2,464	203	407	611	818	1,021	1,228	1,432	1,639	1,846	2,053	2,261	2,464
Technology Management	47,045	3,576	6,897	10,369	13,720	17,238	20,671	24,455	28,128	31,770	35,324	40,819	47,045
IM & T Admin	840	69	138	207	277	347	417	487	557	627	698	769	840
Subtotal Information Mgmt & Tech	50,349	3,848	7,442	11,187	14,813	18,606	22,314	26,374	30,324	34,243	38,075	43,846	50,349
Development Operations													
Data Management	7,119	588	1,177	1,767	2,358	2,950	3,543	4,137	4,732	5,328	5,925	6,522	7,119
Statistics	6,436	525	1,051	1,578	2,105	2,638	3,175	3,716	4,258	4,801	5,345	5,890	6,436
Abbott Res & Lib Info Svcs-ARLIS	3,251	268	532	798	1,048	1,295	1,551	1,807	2,063	2,320	2,577	2,825	3,251
Subtotal Development Operations	16,806	1,379	2,760	4,143	5,510	6,881	8,269	9,660	11,053	12,449	13,847	15,237	16,806
VENTURE MANAGEMENT													
Cardiovascular/Diabetes (CD)													
Anti-Infective	8,732	453	870	1,388	1,867	2,347	2,828	3,310	3,792	4,276	4,761	5,247	5,732
Anti-Viral	10,485	867	1,735	2,604	3,474	4,345	5,217	6,090	6,963	7,837	8,712	9,588	10,465
Anticancer/CCM	5,748	494	983	1,492	1,991	2,491	2,992	3,493	3,994	4,494	4,995	5,496	5,997
Uniquity	2,021	167	334	501	669	837	1,005	1,174	1,343	1,512	1,681	1,851	2,021
Molecular Therapeutics	--	--	--	--	--	--	--	--	--	--	--	--	--
Neuroscience	--	--	--	--	--	--	--	--	--	--	--	--	--
Oncology	7,394	577	1,155	1,734	2,313	2,894	3,475	4,056	4,637	5,218	5,799	6,380	6,961
Subtotal Venture	34,350	2,558	5,117	7,719	10,329	12,935	15,539	18,142	20,745	23,348	25,951	28,554	31,157
Administration	19,652	1,628	3,255	4,886	6,518	8,154	9,791	11,430	13,071	14,714	16,359	18,006	19,652
PARC	58,853	4,890	9,771	14,738	19,677	24,648	29,693	34,684	39,728	44,718	49,777	54,822	59,853
Regulatory Affairs	9,422	673	1,372	2,138	2,824	3,522	4,222	4,923	5,623	6,324	7,025	7,726	8,427
Phase-1 Center	9,670	784	1,566	2,349	3,132	3,915	4,703	5,491	6,286	7,081	7,876	8,671	9,466
TOTAL FUNCTIONAL	410,285	31,852	64,181	96,348	130,713	163,758	198,354	231,495	268,264	303,378	337,735	372,423	410,285
Memo: % of Total Func, excl. Disc Deals	8.0%	16.0%	24.1%	32.1%	40.2%	48.5%	56.7%	65.8%	74.1%	82.7%	91.3%	97.3%	100.0%
International Manpower	4,105	287	575	862	1,149	1,518	1,795	2,217	2,668	3,120	3,561	3,961	4,105
Clinical Grants	118,028	8,273	16,546	24,819	33,086	41,392	49,708	58,024	66,340	74,656	82,972	91,288	118,028
QA&S Services Purchased	100,707	9,075	18,150	27,225	35,660	44,192	52,724	61,256	69,788	78,320	86,852	95,384	100,707
Corporate Task	--	--	--	--	--	--	--	--	--	--	--	--	--
Judgment - Internal	8,060	5,868	8,578	10,520	11,809	14,098	16,823	17,258	14,205	12,070	12,869	11,287	8,060
Judgment - Published	(9,800)	(817)	(1,634)	(2,451)	(3,268)	(4,085)	(4,902)	(5,719)	(6,536)	(7,352)	(8,168)	(8,984)	(9,800)
Gabril reimbursement from Commercial	--	--	--	--	--	--	--	--	--	--	--	--	--
Hand Post/Flash to Actual Adjustment	--	--	--	--	--	--	--	--	--	--	--	--	--
Other Project Changes:	--	--	--	--	--	--	--	--	--	--	--	--	--
Gross PPD R&D Expense	629,385	54,338	106,445	160,305	212,629	266,392	322,557	372,824	425,237	475,979	526,066	578,439	629,385
QA&S Services Sold	(244,018)	(21,165)	(41,380)	(62,234)	(82,560)	(102,275)	(122,238)	(144,299)	(164,304)	(184,007)	(203,586)	(224,041)	(244,018)
Net PPD R&D Expense	385,367	33,173	65,065	98,071	130,059	164,117	198,319	228,525	260,933	291,972	322,479	354,398	385,367

* Do not report these lines for actuals; report only Total Pharmaceutical Discovery line. Detail is shown here for planning purposes only.

HIGHLY
CONFIDENTIAL
ABBT 0037519

7

PPPD SERVICES PURCHASED
RECONCILIATIONS MONTH - \$
2001 PLAN

EXPENSE
DEBIT AM

	Y1 PLAN	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
Patents & Trademark	6,050	504	504	504	504	504	504	504	504	504	504	504	506	6,050
Corp Admin Fixed	5,445	454	454	454	454	454	454	454	454	454	454	454	451	5,445
Corp Cost Pools	5,070	423	423	423	423	423	423	423	423	423	423	423	417	5,070
Satellite Copy Charge	539	45	45	45	45	45	45	45	45	45	45	45	44	539
CHMD Services Purchased Fixed (AHD)	196	16	16	16	16	16	16	16	16	16	16	16	20	196
PPD Ops Fixed Allocations	3,232	269	269	269	269	269	269	269	269	269	269	269	273	3,232
CENG - Fixed Maintenance from PPD O	899	75	75	75	75	75	75	75	75	75	75	75	74	899
CHEN Variable (EWRS)	147	12	12	12	12	12	12	12	12	12	12	12	15	147
CMIS - Purchasing	747	62	62	62	62	62	62	62	62	62	62	62	65	747
CHMS Telecommunications	130	11	11	11	11	11	11	11	11	11	11	11	9	130
Fixed L C Exp - Admin. Services	421	35	35	35	35	35	35	35	35	35	35	35	38	421
Corp Eng EHS Fixed Allocation	587	50	50	50	50	50	50	50	50	50	50	50	47	587
TOTAL CORPORATE ALLOCATION	23,473	1,956	1,956	1,956	1,956	1,956	1,956	1,956	1,956	1,956	1,956	1,956	1,957	23,473
CMIS - Unit of Activity, Fixed - Other	2,667	222	222	222	222	222	222	222	222	222	222	222	225	2,667
CMIS - Unit of Activity, Fixed - Angis	2,100	175	175	175	175	175	175	175	175	175	175	175	175	2,100
PPD Personnel DOA47	2,601	217	217	217	217	217	217	217	217	217	217	217	214	2,601
PPD Mfg Ops - Allocation	63	5	5	5	5	5	5	5	5	5	5	5	8	63
PPD Ops QA Int Svcs/Reg Affairs	1,942	162	162	162	162	162	162	162	162	162	162	162	160	1,942
PPD Ops Returned Goods	136	11	11	11	11	11	11	11	11	11	11	11	15	136
Project Expense	7,099	592	592	592	592	592	592	592	592	592	592	592	592	7,099
TOTAL BURDEN FILE	40,081	3,340	3,340	3,340	3,340	3,340	3,340	3,340	3,340	3,340	3,340	3,340	3,341	40,081
SPD Pilot Plant Stock Card	24,497	2,042	2,042	2,042	2,042	2,042	2,042	2,042	2,042	2,042	2,042	2,042	2,035	24,497
SPD Bulk Direct (Chain/Farm)	17,328	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	17,328
Excess Capacity Stock Card	11,610	958	958	958	958	958	958	958	958	958	958	958	952	11,610
Subtotal SPD (Other than TAP)	53,435	4,454	4,454	4,454	4,454	4,454	4,454	4,454	4,454	4,454	4,454	4,454	4,441	53,435
TAP Bulk Drug (D-TAP)	84	7	7	7	7	7	7	7	7	7	7	7	7	84
TAP - SPD Manpower & Bulk (D-453)	245	20	20	20	20	20	20	20	20	20	20	20	25	245
Pharmacogenetics - ADD Allocation	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Misc Expense	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Subtotal (For Exp Cat)	328	27	27	27	27	27	27	27	27	27	27	27	32	328
Other Purchases:														
Clari Once-A-Day (Global AI Manpower)	7,763	973	973	973	973	483	483	483	483	483	483	483	487	7,763
Corp Drug User Fees	1,207	---	---	---	---	---	---	---	---	1,207	---	---	---	1,207
Patient to Operations (search services)	---	---	---	---	---	---	---	---	---	---	---	---	---	---
D-454 Floor Space (not in functionals)	182	15	15	15	15	15	15	15	15	15	15	15	17	182
D-454 Deprec (not in functionals)	2,984	249	249	249	249	249	249	249	249	249	249	249	245	2,984
Molecular Probes	7	---	---	---	---	---	---	---	---	---	---	---	7	7
Inventory transfer for Protease 2nd Gen	---	---	---	---	---	---	---	---	---	---	---	---	---	---
SDG/Other	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Clinical Supplies (Tricia Garen -PPD Op	200	17	17	17	17	17	17	17	17	17	16	16	16	200
Angis Charges	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Library (D441) to CHMS	---	---	---	---	---	---	---	---	---	---	---	---	---	---
QA (D44N) to Operations	1,500	---	---	---	---	---	---	---	---	---	---	---	1,500	1,500
Sangstat (Cyclosporine)	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Sangstat (Sangcya)	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Gabitril Royalty	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Ritronvir/LifeRoche Combo	---	---	---	---	---	---	---	---	---	---	---	---	---	---
NOVO Settlement	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Metabolix	---	---	---	---	---	---	---	---	---	---	---	---	---	---
FLAP/Vanguard	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Sano6 Cost Sharing w/Gabitril	---	---	---	---	---	---	---	---	---	---	---	---	---	---
CI charge from DPS (Cin Val Mgr) + \$4	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Triangle receipt \$2,935 +\$325 for 1999	(5,381)	---	---	(907)	---	---	(1,345)	---	---	(1,345)	---	---	(1,884)	(5,381)
Comdisco	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Hydrocodone (IDV-in from HPD)	---	---	---	---	---	---	---	---	---	---	---	---	---	---
CRO Rebates	(3,000)	---	---	---	(333)	(333)	(333)	(333)	(333)	(333)	(334)	(334)	(334)	(3,000)
Gabitril Reimbursement from Comend	1,400	---	---	---	---	---	---	---	---	---	467	467	465	1,400
Other	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Grand Total	190,797	9,075	9,075	8,268	8,742	8,252	6,907	8,252	8,252	8,113	8,717	8,717	8,334	190,797

(2,537)

LEGROUP\PLANNING\2001 PLAN\2001 PLAN Opmt.MMM

HIGHLY
CONFIDENTIAL
ABBT 0037520

8

PPRD SERVICES PURCHASED
RECONCILIATIONS YTD - \$
2001 PLAN

02/18/01
09:07 AM

	01 PLAN	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
Patents & Trademark	6,050	504	1,008	1,512	2,016	2,520	3,024	3,528	4,032	4,536	5,040	5,544	6,050
Corp Admin Fixed	5,445	454	908	1,362	1,816	2,270	2,724	3,178	3,632	4,086	4,540	4,994	5,445
Corp Cost Pools	5,070	423	846	1,269	1,692	2,115	2,538	2,961	3,384	3,807	4,230	4,653	5,070
Satellite Copy Charge	539	45	90	135	180	225	270	315	360	405	450	495	539
CHMD Services Purchased Fixed (AHD)	196	16	32	48	64	80	96	112	128	144	160	176	196
PPD Ops Fixed Allocations	3,232	269	538	807	1,076	1,345	1,614	1,883	2,152	2,421	2,690	2,959	3,232
CENG - Fixed Maintenance from PPD O	899	75	150	225	300	375	450	525	600	675	750	825	899
CHEN Variable (EWRS)	147	12	24	36	48	60	72	84	96	108	120	132	147
CHMS - Purchasing	747	62	124	186	248	310	372	434	496	558	620	682	747
CHMS Telecommunications	130	11	22	33	44	55	66	77	88	99	110	121	130
Fixed L C Exp - Admin. Services	421	35	70	105	140	175	210	245	280	315	350	385	421
Corp Eng EHS Fixed Allocation	597	50	100	150	200	250	300	350	400	450	500	550	597
TOTAL CORPORATE ALLOCATION	23,473	1,956	3,912	5,868	7,824	9,780	11,736	13,692	15,648	17,604	19,560	21,516	23,473
CHMS - Unit of Activity, Fixed - Other	2,567	222	444	666	888	1,110	1,332	1,554	1,776	1,998	2,220	2,442	2,567
CHMS - Unit of Activity, Fixed - Aegis	2,100	175	350	525	700	875	1,050	1,225	1,400	1,575	1,750	1,925	2,100
PPD Personnel DOA47	2,601	217	434	651	868	1,085	1,302	1,519	1,736	1,953	2,170	2,387	2,601
PPD Mfg Ops - Allocation	63	5	10	15	20	25	30	35	40	45	50	55	63
PPD Ops QA Inf Svcs/Reg Affairs	1,942	162	324	486	648	810	972	1,134	1,296	1,458	1,620	1,782	1,942
PPD Ops Returned Goods	136	11	22	33	44	55	66	77	88	99	110	121	136
Project Expense	7,099	592	1,184	1,776	2,368	2,960	3,552	4,144	4,736	5,328	5,920	6,512	7,099
TOTAL BURDEN FILE	40,081	3,340	6,680	10,020	13,360	16,700	20,040	23,380	26,720	30,060	33,400	36,740	40,081
SPD Pilot Plant Black Card	24,497	2,042	4,084	6,126	8,168	10,210	12,252	14,294	16,336	18,378	20,420	22,462	24,497
SPD Bulk Direct (Chain/Ferm)	17,328	1,444	2,888	4,332	5,776	7,220	8,664	10,108	11,552	12,996	14,440	15,884	17,328
Excess Capacity Stock Card	11,610	968	1,936	2,904	3,872	4,840	5,808	6,776	7,744	8,712	9,680	10,648	11,610
Subtotal SPD (Other than TAP)	53,435	4,454	8,908	13,362	17,816	22,270	26,724	31,178	35,632	40,086	44,540	48,994	53,435
TAP Bulk Drug (D-TAP)	84	7	14	21	28	35	42	49	56	63	70	77	84
TAP - SPD Manpower & Bulk (D-453)	245	20	40	60	80	100	120	140	160	180	200	220	245
Pharmacogenetics - ADD Allocation	---	---	---	---	---	---	---	---	---	---	---	---	---
Misc Expense	---	---	---	---	---	---	---	---	---	---	---	---	---
Subtotal (For Exp Cat)	329	27	54	81	108	135	162	189	216	243	270	297	329
Other Purchases:	---	---	---	---	---	---	---	---	---	---	---	---	---
Clari Once-A-Day (Global AI Manpower)	7,763	973	1,947	2,920	3,893	4,876	5,850	6,823	7,796	8,769	9,742	10,715	11,688
Corp Drug User Fees	1,207	---	---	---	---	---	---	---	---	---	---	---	---
Patent to Operations (search services)	---	---	---	---	---	---	---	---	---	---	---	---	---
D-454 Floor Space (not in functionals)	182	15	30	45	60	75	90	105	120	135	150	165	182
D-454 Deprec (not in functionals)	2,804	249	498	747	996	1,245	1,494	1,743	1,992	2,241	2,490	2,739	2,984
Molecular Probes	7	---	---	---	---	---	---	---	---	---	---	---	---
Inventory transfer for Protease 2nd Gen	---	---	---	---	---	---	---	---	---	---	---	---	---
SDG/Other	---	---	---	---	---	---	---	---	---	---	---	---	---
Clinical Supplies (Tricia Geran - PPD Op	200	17	34	51	68	85	102	119	136	152	168	184	200
Aegis Charges	---	---	---	---	---	---	---	---	---	---	---	---	---
Library (D441) to CHMS	---	---	---	---	---	---	---	---	---	---	---	---	---
QA (D44N) to Operations	1,500	---	---	---	---	---	---	---	---	---	---	---	---
Sangstat (Cyclosporine)	---	---	---	---	---	---	---	---	---	---	---	---	---
Sangstat (Sangocyte)	---	---	---	---	---	---	---	---	---	---	---	---	---
Gabitril Royalty	---	---	---	---	---	---	---	---	---	---	---	---	---
Ritonavir/LaRoche Combo	---	---	---	---	---	---	---	---	---	---	---	---	---
NOVO Settlement	---	---	---	---	---	---	---	---	---	---	---	---	---
Metabolex	---	---	---	---	---	---	---	---	---	---	---	---	---
FLAP/Vanguard	---	---	---	---	---	---	---	---	---	---	---	---	---
Sanofi Cost Sharing w/Gabitril	---	---	---	---	---	---	---	---	---	---	---	---	---
Cl charge from OPS (Clm Val Mgr) + \$4	---	---	---	---	---	---	---	---	---	---	---	---	---
Triangle receipt \$2,935 + \$325 for 1999	(5,381)	---	---	(807)	(807)	(807)	(2,152)	(2,152)	(2,152)	(3,497)	(3,497)	(3,497)	(5,381)
Comdisco	---	---	---	---	---	---	---	---	---	---	---	---	---
Hydrocodone (IDV-in from HPD)	---	---	---	---	---	---	---	---	---	---	---	---	---
CRO Rebates	(3,000)	---	---	---	(333)	(666)	(999)	(1,332)	(1,665)	(1,998)	(2,332)	(2,666)	(3,000)
Gabitril Reimbursement from Commercial	1,400	---	---	---	---	---	---	---	---	---	467	934	1,400
Other	---	---	---	---	---	---	---	---	---	---	---	---	---
Grand Total	100,707	9,075	18,151	27,227	36,303	45,379	54,455	63,531	72,607	81,683	90,759	99,835	108,911

HIGHLY
CONFIDENTIAL
ABBT 0037521

9

PPRD SERVICES SOLD
RECONCILIATIONS MONTH - \$
2001 PLAN

02/18/01
01:57 PM

	Y1 PLAN	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
% RATE - ACTUALS														
% RATE - MONTHLY PROJECTION														
Cumulative % Rate														
% RATE - ADJUSTED PROJECTION														
AI GLOBAL PHARMACEUTICAL	186,570	15,385	15,435	16,074	15,546	15,935	17,183	14,280	15,224	14,922	14,798	15,674	15,214	186,670
Direct Sister Benefit														
R&D Scientific Service (fixed)	2,384	199	199	199	199	199	199	199	199	199	199	199	195	2,384
Direct Services	3,800	317	317	317	317	317	317	317	317	317	317	317	313	3,800
Total Direct Sister Benefit	6,184	516	516	516	516	516	516	516	516	516	516	516	508	6,184
Total Ind Sister Division	192,854	15,901	15,951	16,590	16,062	16,451	17,699	14,796	15,740	15,438	15,314	16,190	15,722	192,854
TAP - SPD Manpower	245	20	20	20	20	20	20	20	20	20	20	20	25	245
TAP - Judgment (Positive Controls)														
TAP - Bulk Drug	84	7	7	7	7	7	7	7	7	7	7	7	7	84
TAP - All Other	19,898	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,651	19,898
Total TAP	20,185	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,683	20,185
Domestic Sister Divisions														
HPD	6,634	736	736	736	736	736	736	736	736	736	736	736	736	6,634
ADD	2,383	199	199	199	199	199	199	199	199	199	199	199	194	2,383
SPD	4,909	409	409	409	409	409	409	409	409	409	409	409	410	4,909
ROSS	1,955	163	163	163	163	163	163	163	163	163	163	163	162	1,955
CPD	42	4	4	4	4	4	4	4	4	4	4	4	(2)	42
MIS	74	6	6	6	6	6	6	6	6	6	6	6	8	74
AHD (AHS Abbott Health Systems)														
CHMS Library Charges														
Corp Eng														
Total Domestic Sister Division	18,197	1,517	1,517	1,517	1,517	1,517	1,517	1,517	1,517	1,517	1,517	1,517	1,510	18,197
Other Sister Divisions:														
Corp Administration														
Corp. Admin.	24	2	2	2	2	2	2	2	2	2	2	2	2	24
TAP Rate Diff (Fixed)	485	40	40	40	40	40	40	40	40	40	40	40	45	485
Symposium Expense (Fixed)	155	14	14	14	14	14	14	14	14	14	14	14	11	155
Subtotal CHAD	674	56	56	56	56	56	56	56	56	56	56	56	58	674
PPD Product R&D														
Mfg Support (MC,PM)	12,215	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,017	12,215
Mfg Support (PV)	263	22	22	22	22	22	22	22	22	22	22	22	21	263
PPD Marketing (P5,P9) (Inc Cephalon)	3,620	302	302	302	302	302	302	302	302	302	302	302	298	3,620
Subtotal Other	16,998	1,342	1,342	1,342	1,342	1,342	1,342	1,342	1,342	1,342	1,342	1,342	1,336	16,998
VAT Refund														
PARD Services Sold Impact (Judgeme	(3,990)	(333)	(333)	(333)	(333)	(333)	(333)	(332)	(332)	(332)	(332)	(332)	(332)	(3,990)
Rounding														
GRAND TOTAL	244,018	21,165	20,215	20,854	20,326	20,715	21,963	19,061	20,005	19,703	19,579	20,455	19,877	244,018
Memor: Excluding Global - \$		4,780	4,780	4,780	4,780	4,780	4,780	4,781	4,781	4,781	4,781	4,781	4,783	57,348
Quarterly - \$				14,340			14,340			14,343			14,325	57,348
Excluding Global - % of Qtr				25.0%			25.0%			25.0%			25.0%	
Excluding Global - % Dec													8.3%	

L:\GROUP\PLANS\2001 PLAN\2001 FINAL Output.VML

HIGHLY
CONFIDENTIAL
ABBT 0037522

10

PPRD SERVICES SOLD
RECONCILIATIONS YTD - \$
2001 PLAN

02/18/01
09:57 AM

	'01 PLAN	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
AJ GLOBAL PHARMACEUTICAL	188,670	16,385	31,820	47,834	63,440	79,375	96,558	110,838	129,062	140,984	155,782	171,456	186,670
Direct Sister Benefit													
R&D Scientific Service (fixed)	2,384	199	398	597	796	995	1,194	1,393	1,592	1,791	1,990	2,189	2,384
Direct Service	3,800	317	634	951	1,268	1,585	1,902	2,219	2,536	2,853	3,170	3,487	3,800
Total Direct Sister Benefit	6,184	516	1,032	1,548	2,064	2,580	3,096	3,612	4,128	4,644	5,160	5,676	6,184
Total Int'l Sister Division	192,854	16,901	32,852	49,442	65,504	81,955	99,654	114,450	130,190	145,628	160,942	177,132	192,854
TAP - SPD Manpower	246	20	40	60	80	100	120	140	160	180	200	220	245
TAP - Judgment	—	—	—	—	—	—	—	—	—	—	—	—	—
TAP - Bulk	84	7	14	21	28	35	42	49	56	63	70	77	84
TAP - All Other	19,856	1,655	3,310	4,965	6,620	8,275	9,930	11,585	13,240	14,895	16,550	18,205	19,856
Total TAP	20,185	1,682	3,364	5,046	6,728	8,410	10,092	11,774	13,456	15,138	16,820	18,502	20,185
Domestic Sister Divisions													
HPD	8,834	736	1,472	2,208	2,944	3,680	4,416	5,152	5,888	6,624	7,360	8,096	8,834
ADD	2,383	198	396	594	792	990	1,188	1,386	1,584	1,782	1,980	2,178	2,383
SPD	4,909	409	818	1,227	1,636	2,045	2,454	2,863	3,272	3,681	4,090	4,499	4,909
ROSS	1,955	163	326	489	652	815	978	1,141	1,304	1,467	1,630	1,793	1,955
CPO	42	4	8	12	16	20	24	28	32	36	40	44	42
MIS	74	6	12	18	24	30	36	42	48	54	60	66	74
AHD (AHS Abbott Health Systems)	—	—	—	—	—	—	—	—	—	—	—	—	—
CHMS Library Charges	—	—	—	—	—	—	—	—	—	—	—	—	—
Corp Eng	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Domestic Sister Division	18,187	1,517	3,034	4,551	6,068	7,585	9,102	10,619	12,136	13,653	15,170	16,687	18,187
Other Sister Divisions:													
Corp Administration													
Corp. Admin.	24	2	4	6	8	10	12	14	16	18	20	22	24
TAP Rate Off	485	40	80	120	160	200	240	280	320	360	400	440	485
Symposium Expense	165	14	28	42	56	70	84	98	112	126	140	154	165
Subtotal CHAD	674	56	112	168	224	280	336	392	448	504	560	616	674
PPD Product R&D													
Mfg Support (MC,PM)	12,215	1,018	2,036	3,054	4,072	5,090	6,108	7,126	8,144	9,162	10,180	11,198	12,215
Mfg Support (PV)	263	22	44	66	88	110	132	154	176	198	220	242	263
PPD Marketing (P5,P6) (Inc Cephalon)	3,620	302	604	906	1,208	1,510	1,812	2,114	2,416	2,718	3,020	3,322	3,620
Subtotal Other	16,098	1,342	2,684	4,026	5,368	6,710	8,052	9,394	10,736	12,078	13,420	14,762	16,098
VAT Refund													
PARO Services Sold Impact (Judgeme	(3,990)	(333)	(666)	(999)	(1,332)	(1,665)	(1,998)	(2,330)	(2,662)	(2,994)	(3,326)	(3,658)	(3,990)
Rounding	—	—	—	—	—	—	—	—	—	—	—	—	—
GRAND TOTAL	244,018	21,165	41,380	62,234	82,560	103,275	125,238	144,299	164,304	184,007	203,586	224,041	244,018

L:\GROUP\PLANS\000001 PLAN\0001 FINAL Output.WK4

11
HIGHLY
CONFIDENTIAL
ABBT 0037523

PPPD CLINICAL GRANTS
RECONCILIATIONS MONTH - 1
2001 PLAN

BY:MM
DATE:01/24/01

	01 PLAN	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	DEC ADJ	TOTAL
PPD SERVICE:															
Tigabine/Cabitol	3,000	--	--	--	--	--	--	--	600	600	600	600	600	--	3,000
Oxcarbazepine	9,441	723	(84)	1,178	1,160	1,180	1,180	1,180	1,181	608	373	373	372	--	9,441
Depakote/Cephalone	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
n-Pro-LNK	39	39	--	--	--	--	--	--	--	--	--	--	--	--	39
Fenofibrate (Famvir)	600	--	120	120	120	120	120	--	--	--	--	--	--	--	600
Humulin	200	--	--	20	20	20	20	20	20	20	20	20	20	--	200
PharmacoGenetics (Genetec)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
TOTAL PPD SERVICE	13,284	762	32	1,318	1,320	1,320	1,320	1,380	1,801	1,228	993	993	992	--	13,284
GLOBAL SERVICE:															
Ribonvir ABT-538	1,244	298	(142)	109	109	109	109	109	109	109	108	108	108	--	1,244
Protease 2nd Gen ABT-378	22,575	120	1,818	1,892	2,001	2,243	2,238	2,168	2,155	1,953	1,906	1,996	1,996	--	22,575
Dopamine	--	--	--	--	--	--	--	--	--	--	--	190	190	--	380
ICD-ABT-598	380	--	--	--	--	--	--	--	--	--	--	--	--	--	--
ABT-594 (Formerly CCM)	1,065	100	30	101	120	120	120	120	120	120	48	48	18	--	1,065
ABT-489 (Formerly GCM)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Clarithromycin	2,940	172	172	260	260	260	260	260	260	259	259	259	258	--	2,940
Kalbide ABT-773	47,405	4,847	4,847	4,825	4,860	4,860	4,860	3,403	3,403	3,306	323	3,899	3,899	--	47,405
Prokinetic Mipratriptan - Dom	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Zileuton & 2nd Generation	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
BPH ABT-980	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Cyclosporine	993	464	35	125	115	115	35	35	35	34	--	--	--	--	993
H2S (Mucolytic)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Entoloxole	18,251	1,035	1,035	1,035	1,035	1,035	1,848	1,897	1,897	1,897	2,178	2,178	2,178	--	18,251
NS 48 Nippon Shinyaku ABT-23	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Blomdomol (Rorov)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Anti-Histone ABT-731	1,025	--	--	--	73	73	125	125	125	125	125	125	125	--	1,025
Hydix	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
FTI (Fammyltransferrase)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
MMPI (Metadepotase)	1,118	64	64	64	64	64	114	114	114	114	114	114	114	--	1,118
Tenase	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
TSP Peptide	1,821	118	118	118	88	118	105	105	104	165	165	105	76	--	1,821
Quinolone	5,000	229	159	159	309	209	209	209	628	628	477	894	894	--	5,000
Co. II	131	65	66	--	--	--	--	--	--	--	--	--	--	--	131
Neuroendocrine	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Adjustment (EVR)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
TOTAL GLOBAL SERVICE	104,748	7,511	8,206	8,786	9,136	9,306	16,186	8,884	9,019	8,788	5,784	9,773	9,654	--	104,748
MISC:															
Vitamin D Analog/iron Dextran	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Intravenous/Neural Investigation	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Adjustments	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Desmodomide/Zemplar (HPD)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Transverse Reformation	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Blade Reformation	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
GRAND TOTAL GRANTS	118,032	8,273	8,232	10,105	10,456	10,626	11,206	9,894	10,811	10,015	6,767	10,706	10,846	--	118,032
- Quarterly Percentages				22.9%			27.8%			26.0%		21.9%			100.0%
Actuals							11,508								
Total Global Grants															
Total Other Domestic Grants															
Total Other Grants															
Total Grants															
Key Checks (as of)															
Grant System (Excel as of 12/7/01)															
Difference															

U:\GRANTS\PPPD\000001 PLAN0001 FINAL Qtr00010001

CONFIDENTIAL
ABBT 0037524

PPPD CLINICAL GRANTS
RECONCILIATIONS - YTD \$
2001 PLAN

000001
000001

	01 PLAN	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
PPD SERVICE :													
Tigabine/Gabitril	---	---	---	---	---	---	---	---	---	---	---	---	---
Omeprazole	3,000	---	---	---	---	---	---	---	600	1,200	1,800	2,400	3,000
Depakote/Depakene	9,441	723	635	1,814	2,894	4,174	5,354	6,534	7,715	8,895	9,069	9,441	---
s-Pro-UK	---	---	---	---	---	---	---	---	---	---	---	---	---
Penicillinic (Femoral)	39	39	39	39	39	39	39	39	39	39	39	39	39
Humulin	600	---	120	240	360	480	600	600	600	600	600	600	600
Plavix/Generic (Gensol)	200	---	---	20	40	60	80	100	120	140	160	180	200
TOTAL PPD SERVICE	13,280	762	794	2,113	3,433	4,753	6,073	7,273	8,074	10,202	11,295	12,288	13,280
GLOBAL SERVICE :													
Ritonavir ABT-538	1,244	299	157	266	375	484	593	702	811	920	1,028	1,136	1,244
Protease 2nd Gen ABT-378	22,575	120	1,834	3,830	5,831	8,074	10,313	12,479	14,634	16,547	18,583	20,579	22,575
Dopamine	---	---	---	---	---	---	---	---	---	---	---	---	---
KCO ABT-598	380	---	---	---	---	---	---	---	---	---	---	180	380
ABT-534 (formerly CCM)	1,065	100	130	231	351	471	591	711	831	951	989	1,047	1,065
ABT-539 (formerly CHCM)	---	---	---	---	---	---	---	---	---	---	---	---	---
Ceftriaxone	2,940	172	344	504	604	1,124	1,384	1,644	1,904	2,163	2,422	2,681	2,940
Ketoconazole ABT-773	47,405	4,847	9,694	14,619	19,579	24,539	29,499	32,802	36,305	39,891	40,014	43,709	47,405
Prokinetic Macrolide - Dom	---	---	---	---	---	---	---	---	---	---	---	---	---
Zileuton & 2nd Generation	---	---	---	---	---	---	---	---	---	---	---	---	---
BPH ABT-990	---	---	---	---	---	---	---	---	---	---	---	---	---
Cyclosporine	933	464	489	524	739	854	969	924	959	993	993	993	993
HGG (Hindivir)	---	---	---	---	---	---	---	---	---	---	---	---	---
Endothelin	19,251	1,035	2,070	3,105	4,140	5,175	7,024	8,821	10,818	12,715	14,894	17,073	19,251
NS 49 Nippon Shinyaku ABT-23	---	---	---	---	---	---	---	---	---	---	---	---	---
Bimacromol (Bionut)	---	---	---	---	---	---	---	---	---	---	---	---	---
Anti-Mitotic ABT-791	1,025	---	---	---	75	150	275	400	525	650	775	900	1,025
Hydix	---	---	---	---	---	---	---	---	---	---	---	---	---
MMP1 (Melastoponase)	1,118	64	128	192	256	320	434	548	662	776	880	1,004	1,118
Tacrine	---	---	---	---	---	---	---	---	---	---	---	---	---
TSP Peptide	1,621	116	232	348	436	552	718	884	1,050	1,215	1,380	1,545	1,621
Quinazone	5,000	229	388	547	856	1,065	1,274	1,483	2,109	2,735	3,212	4,106	5,000
Cast B	131	65	131	131	131	131	131	131	131	131	131	131	131
Neurokininase	---	---	---	---	---	---	---	---	---	---	---	---	---
Adjustment (EVR)	---	---	---	---	---	---	---	---	---	---	---	---	---
TOTAL GLOBAL SERVICE	104,748	7,611	15,711	24,497	33,633	42,939	53,125	61,728	70,739	79,527	85,321	95,094	104,748
Vitamin D Analog/Novo Dextran	---	---	---	---	---	---	---	---	---	---	---	---	---
Isotretinoin/Novo Investigation	---	---	---	---	---	---	---	---	---	---	---	---	---
Adjustments	---	---	---	---	---	---	---	---	---	---	---	---	---
Dexamethasone/Zenpep (P-PD)	---	---	---	---	---	---	---	---	---	---	---	---	---
Tyrosine Reformation	---	---	---	---	---	---	---	---	---	---	---	---	---
Basin Reformation	---	---	---	---	---	---	---	---	---	---	---	---	---
GRAND TOTAL GRANTS	118,028	8,273	15,505	25,610	37,066	47,892	58,198	68,002	79,813	89,829	96,616	107,382	118,028

LONG PLANNING PLAN 2001 PLAN, 000001, 000001

PPPD CLINICAL GRANTS RECONCILIATIONS - YTD \$ 2001 PLAN

PPPD CLINICAL GRANTS RECONCILIATIONS - YTD \$ 2001 PLAN

HIGHLY

CONFIDENTIAL
ABBT 0037525

16

[illegible]

HIGHLY
CONFIDENTIAL
ABBT 0037528

PPRD GREYBOOK
RECONCILIATIONS MONTH - \$
2001 PLAN02/18/01
08:07 AM

	GLOBAL													
CHARGES TO PROJECTS:	01 PLAN	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
Memo: Global Key Check														
Global	486,675	40,863	38,588	40,185	38,865	39,837	42,858	35,700	38,080	37,305	36,995	39,185	38,034	486,675
Direct Service														
PPD Service	105,362	8,282	8,406	8,562	8,346	8,813	9,084	8,454	9,240	8,324	7,969	8,085	11,807	105,362
Sister & Takeda	57,348	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	1,105	57,348
TOTAL GROSS EXPENSE	629,385	54,338	52,107	53,860	52,324	53,763	57,165	49,267	52,413	50,742	50,077	52,383	50,946	629,385
LESS SISTER DIVISION CHARGES:														
AI Total	192,854	16,901	15,951	16,590	16,062	16,451	17,699	14,796	15,740	15,438	15,314	16,190	15,722	192,854
TAP Pharm. Inc.	20,185	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,683	20,185
HFD	8,834	736	736	736	736	736	736	736	736	736	736	736	738	8,834
ADD	2,383	199	199	199	199	199	199	199	199	199	199	199	194	2,383
SPD	4,909	409	409	409	409	409	409	409	409	409	409	409	410	4,909
ROSS	1,955	163	163	163	163	163	163	163	163	163	163	163	162	1,955
CPD	42	4	4	4	4	4	4	4	4	4	4	4	(2)	42
CMIS	74	6	6	6	6	6	6	6	6	6	6	6	8	74
Other Sister Division	16,772	1,398	1,398	1,398	1,398	1,398	1,398	1,398	1,398	1,398	1,398	1,398	1,394	16,772
TOTAL CHARGES OUT	248,008	21,498	20,548	21,187	20,659	21,048	22,296	19,293	20,337	20,035	19,911	20,787	20,309	248,008
PARD SERVICES SOLD IMPACT (Judgement)	3,990	333	333	333	333	333	333	332	332	332	332	332	332	3,990
NET PPRD EXPENSE	385,367	33,173	31,892	33,006	31,998	33,048	35,262	30,205	32,408	31,039	30,498	31,928	30,969	385,367
ACTUALS PER GREYBOOK (J-DRIVE)														
VARIANCEKEY CHECK	(33,173)	(31,892)	(33,006)	(31,998)	(33,048)	(35,262)	(30,205)	(32,408)	(31,039)	(30,498)	(31,928)	(30,969)	(385,367)	
ACTUALS PER KRNES/DIANA														
VARIANCEKEY CHECK	(33,173)	(31,892)	(33,006)	(31,998)	(33,048)	(35,262)	(30,206)	(32,408)	(31,039)	(30,498)	(31,928)	(30,969)	(385,367)	
Memo: 2000 Actuals	32,133	30,404	35,911	33,138	32,058	45,704	28,013	27,124	29,386	27,095	27,115	27,512	375,593	
Memo:														
AI 2001 PLAN (12/08/00)	16,901	15,951	16,590	16,062	16,451	17,699	14,796	15,740	15,438	15,314	16,190	15,722	192,854	
AI Final 2000 AGU	10,645	14,364	14,799	14,474	16,424	17,281	17,989	15,360	18,401	19,301	16,441	15,581	192,040	

Net PPRD Expense		2001 PLAN Fwd(Untw) vs.									
		1Qtr	2Qtr	3Qtr	4Qtr	Total	1Qtr	2Qtr	3Qtr	4Qtr	Total
2001 PLAN (12/08/00)		98,071	100,248	93,653	93,395	385,367					
% of total		25.4%	26.0%	24.3%	24.2%	99.9%					
2000 Final AGU		98,448	110,900	84,906	80,476	374,730	377	10,652	(8,747)	(12,919)	(10,637)
% of total		26.3%	29.6%	22.7%	21.5%	100.1%	0.4%	9.6%	-10.3%	-15.1%	-2.8%
2000 Actuals		98,448	110,900	84,523	81,722	375,593	377	10,652	(9,130)	(11,673)	(9,774)
% of total		26.2%	29.5%	22.5%	21.8%	100.0%	0.4%	9.6%	-10.8%	-14.3%	-2.6%

L:\GROUP\PLANNING\2001 PLAN\2001 FINAL DYNAL VBA

HIGHLY
CONFIDENTIAL
ABBT 0037530

18

PPRD GREYBOOK
RECONCILIATIONS YTD - \$
2001 PLAN

02/18/01
00:01 AM

	GLOBAL												
CHARGES TO PROJECTS:	YTD PLAN	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
Global	466,675	40,963	79,551	119,736	158,601	198,438	241,396	277,096	315,156	352,461	389,456	428,641	466,675
Direct Service													
PPD Service	105,362	8,262	16,668	25,230	33,576	42,389	51,483	59,837	68,177	77,501	85,470	93,555	105,362
Sister & Takeda	57,348	5,113	10,226	15,339	20,452	25,565	30,678	35,791	40,904	46,017	51,130	56,243	57,348
TOTAL GROSS EXPENSE	629,385	54,338	106,445	160,305	212,629	266,392	323,557	372,824	425,237	475,979	526,056	578,439	629,385
LESS SISTER DIVISION CHARGES:													
AI Total	182,854	16,901	32,852	49,442	65,504	81,955	99,854	114,450	130,190	145,828	160,942	177,132	182,854
TAP Pharm, Inc.	20,185	1,682	3,364	5,046	6,728	8,410	10,092	11,774	13,456	15,138	16,820	18,502	20,185
HPD	8,834	736	1,472	2,208	2,944	3,680	4,416	5,152	5,888	6,624	7,360	8,096	8,834
ADD	2,383	199	398	597	796	995	1,194	1,393	1,592	1,791	1,990	2,189	2,383
SPD	4,809	409	818	1,227	1,636	2,045	2,454	2,863	3,272	3,681	4,090	4,499	4,809
ROSS	1,955	163	326	489	652	815	978	1,141	1,304	1,467	1,630	1,793	1,955
CPD	42	4	8	12	16	20	24	28	32	36	40	44	42
CMIS	74	6	12	18	24	30	36	42	48	54	60	66	74
Other Sister Division	16,772	1,398	2,796	4,194	5,592	6,990	8,388	9,786	11,184	12,582	13,980	15,378	16,772
TOTAL CHARGES OUT	248,008	21,498	42,048	63,233	83,892	104,940	127,236	146,629	166,966	187,001	206,912	227,699	248,008
PARD SERVICES SOLD IMPACT (Judgement)	3,990	333	666	999	1,332	1,665	1,998	2,330	2,662	2,994	3,326	3,658	3,990
NET PPRD EXPENSE	385,367	33,173	65,065	98,071	130,069	163,117	198,319	228,525	260,533	291,972	322,470	354,398	385,367

L:\GROUP\PLANNING\2001 PLAN\2001 FINAL Opcast\WK4

HIGHLY
CONFIDENTIAL
ABBT 0037531

19

PPD RESEARCH AND DEVELOPMENT 2001 PLAN P&L AI CALENDARIZATION													CONFIDENTIAL ABB 0037532
Modeling Factor: Input # months actuals in cell below	1	2	3	4	5	6	7	8	9	10	11	12	
Modeling Calculations are in italics & pink high													
Modeling Factor: Input total Global \$'s in cell below	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
Global:													
Discovery Deals	0	525	2,015	250	625	2,015	250	625	2,015	250	625	3,151	12,446
Grant Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Global Grants	7,511	8,200	8,785	5,136	9,308	10,186	8,604	9,010	8,788	5,794	8,773	9,654	104,748
Global SPD	3,923	3,923	3,923	3,923	3,923	3,923	3,923	3,923	3,923	3,923	3,923	3,916	47,069
Subtotal - Identified Global Expenses	11,434	12,748	14,724	13,209	13,854	16,124	12,777	13,558	14,726	9,967	14,321	16,721	164,263
All Other (see allocation basis at Memo 1)	28,321	26,804	25,267	25,086	26,904	26,801	23,655	24,636	23,141	26,028	24,689	21,980	302,412
Total Global as Calculated	39,755	39,552	39,991	38,295	39,758	42,925	36,332	38,194	37,867	35,995	39,010	38,701	466,675
Adjust to Finance AI Below	1,208	(954)	194	470	79	33	(632)	(334)	(562)	1,000	175	(667)	0
Total Global	40,963	38,598	40,185	38,865	39,837	42,958	35,700	37,860	37,305	36,995	40,185	38,034	466,675
Less AI Share	(16,305)	(15,435)	(16,074)	(15,549)	(15,935)	(17,183)	(14,280)	(15,224)	(14,522)	(14,798)	(15,674)	(15,214)	(186,570)
Domestic:													
Domestic Grants	762	32	1,319	1,320	1,320	1,320	1,200	1,801	1,228	993	993	992	(104,748)
Domestic SPD	531	531	531	531	531	531	531	531	531	531	531	525	6,366
Subtotal - Identified Domestic Expenses	1,293	563	1,850	1,851	1,851	1,851	1,731	2,332	1,759	1,524	1,524	1,517	(98,382)
All Other	7,302	8,176	7,045	6,828	7,295	7,576	7,055	7,240	6,897	6,777	6,893	6,532	85,716
Total Domestic	8,595	8,739	8,895	8,679	9,146	9,427	8,786	9,572	8,656	8,301	8,417	8,149	105,362
Memo 1:													
Total Net PPD R&D Expense	33,173	31,892	33,006	31,998	33,048	35,202	30,208	32,408	31,039	30,498	31,928	30,969	385,367
Less 100% of Identified Domestic Exp (above)	(1,293)	(563)	(1,850)	(1,851)	(1,851)	(1,851)	(1,731)	(2,332)	(1,759)	(1,524)	(1,524)	(1,517)	(19,646)
Less 80% of Identified Global Exp (above)	(6,880)	(7,649)	(8,834)	(7,985)	(8,312)	(9,874)	(7,666)	(8,135)	(8,636)	(8,380)	(8,593)	(8,033)	(98,557)
All Other Not yet Calendarized (Allocation basis)	25,020	23,680	22,322	22,162	22,885	23,677	20,809	21,941	20,444	22,994	21,911	19,418	257,163
Calculating preliminary calendarizations for TRM review packages:													
1) Input actuals to detailed model. Confirm that net R&D line to J drive (P&L/P&LCA/VK4).													
2) Input items pulling into "Identified Global Expenses" and "Identified Domestic Expenses" above													
- From analysts: Discovery New Technology, Grants, SPD, License payments, refunds, etc.													
- We can guarantee Discovery functionality													
3) Input modeling factors above (# months actuals and total global \$'s)													
4) Make sure calendarization sheets (column B in Global Grants, Func Expense, Svcs Purchased, Svcs Sold) are pulling correct annual \$ from Op Cost Stmt													
5) Model Quarterly Profile													
6) Model net R&D calendarization below. (Inputs are in blue.) Plug all other to achieve qtrly profile													
7) For APU preliminary estimates, March = Plan, April = Plan + Blue Plan Impact													
For ACU preliminary estimates, July = Plan (if not available, use APU + BP), August = APU + Blue Plan Impact													
8) Input Net R&D (as calculated below) to Func Expense Net Income sheet Line 57, on "This is input, Judgment plugs to this \$" line.													
Identified Global Expenses (Net)	5,880	7,649	8,834	7,985	8,312	9,874	7,666	8,135	8,636	8,380	8,593	10,033	98,557
Identified Domestic Expenses	1,293	563	1,850	1,851	1,851	1,851	1,731	2,332	1,759	1,524	1,524	1,517	19,646
Payroll	0	200	400	600	800	1,000	1,200	1,400	1,600	1,800	2,000	2,200	13,200
Adjustment for PLAN	0	0	0	0	0	0	0	0	0	0	0	0	0
TBD	0	0	0	0	0	0	0	0	0	0	0	0	0
TBD	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal - Identified Net Expenses	8,153	8,412	11,084	10,436	10,963	12,525	10,597	11,867	12,195	9,304	12,117	13,750	131,403
All Other - see (a) for Actuals	25,020	23,480	21,922	21,582	22,085	22,677	19,608	20,541	18,944	21,194	19,811	17,218	253,964
Net R&D	33,173	31,892	33,006	31,998	33,048	35,202	30,208	32,408	31,039	30,498	31,928	30,969	385,367
Current Calendarization	33,173	31,892	33,006	31,998	33,048	35,202	30,208	32,408	31,039	30,498	31,928	30,969	385,367
2000 Final AGU	32,133	30,404	35,911	33,138	32,058	45,704	28,013	27,124	29,386	27,085	27,116	27,512	374,730
2000 Actuals	32,133	30,404	35,911	33,138	32,058	45,704	28,013	27,124	29,386	27,085	27,116	27,512	374,730
2001 Quarterly Profile	10Qr	2Qr	3Qr	4Qr	Total								
2001 PLAN (12/08/00)	98,071	100,248	93,653	93,395	385,367								
Blue Plan	0	0	0	0	0								
Change:	0	0	0	0	0								
TBD	0	0	0	0	0								
TBD	0	0	0	0	0								
Other (DIP)	0	0	0	0	0								
Total Expected PLAN	98,071	100,248	93,653	93,395	385,367								
Expected PLAN	0	0	0	0	0								

HIGHLY
CONFIDENTIAL
ABB 0037532

PHARMACEUTICAL PRODUCTS RESEARCH & DEVELOPMENT
2001 PLAN
GLOBAL AI CALENDARIZATION

CONFIDENTIAL
02/18/01
02:57 AM

	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
Global AI	18,385	15,435	16,074	15,546	15,835	17,183	14,280	15,224	14,822	14,798	15,674	15,214	186,670
Total Fixed AI	199	199	199	199	199	199	199	199	199	199	199	195	2,384
Total Direct AI	317	317	317	317	317	317	317	317	317	317	317	313	3,800
Total AI Support	516	516	516	516	516	516	516	516	516	516	516	508	6,184
Total Global	18,901	15,851	16,590	16,062	16,451	17,899	14,796	15,740	15,438	15,314	16,190	15,722	192,854
2000 AGU Global AI	10,645	14,364	14,799	14,474	16,424	17,281	17,969	15,360	19,401	19,301	16,441	15,581	182,040

HIGHLY
CONFIDENTIAL
ABBT 0037533

2/

PPRD SERVICES PURCHASED - SPD
RECONCILIATIONS MONTH - \$
2001 PLAN

02/19/01
09:57 AM

TOTAL FIXED AND DIRECT CHARGES	01 PLAN	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
PASS THROUGH CHARGES:														
Protease 2nd Gen (ABT 378)	14,970	1,248	1,248	1,248	1,248	1,248	1,248	1,248	1,248	1,248	1,248	1,248	1,242	14,970
Macrolide (ABT 773)	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Macrolide (ABT 773) Pediatric	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Macrolide (ABT 773) IV	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Cholinergic Channel Modulator	...	...	...	...	...	...	...	...	...	...	...	...	...	...
BPH Backup	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Endothelin	683	57	57	57	57	57	57	57	57	57	57	57	56	683
NPS-1776	490	41	41	41	41	41	41	41	41	41	41	41	39	490
Quinolone	5,762	480	480	480	480	480	480	480	480	480	480	480	482	5,762
Cancer - Anti Mitotic (Eisai-7010)	1,172	98	98	98	98	98	98	98	98	98	98	98	94	1,172
Clari 140H	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Cancer - Angiogenesis	2,753	229	229	229	229	229	229	229	229	229	229	229	234	2,753
Clari IV	4,297	358	358	358	358	358	358	358	358	358	358	358	359	4,297
Clari Process Improvements	1,700	142	142	142	142	142	142	142	142	142	142	142	138	1,700
New Products	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Misc Process Impv (ery Danisco)	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Subtotal Pass Through	31,827	2,653	2,653	2,653	2,653	2,653	2,653	2,653	2,653	2,653	2,653	2,653	2,644	31,827
DISCOVERY														
Natural Products Discovery	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Patents & Trademarks	370	31	31	31	31	31	31	31	31	31	31	31	29	370
Miscellaneous (Depr adjusted here)	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Discovery Special Labs	2,621	218	218	218	218	218	218	218	218	218	218	218	223	2,621
Subtotal Discovery	2,991	249	249	249	249	249	249	249	249	249	249	249	252	2,991
OTHER														
Dom Other-Ery Proc Imp	369	31	31	31	31	31	31	31	31	31	31	31	28	369
Global Other - Clari I	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Global Other - Clari IV	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Global Other - ABT 378 IV	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Global Other - Misc PMP	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Global Other - Misc (Add'l Warehou	23	2	2	2	2	2	2	2	2	2	2	2	1	23
Protease 2nd Gen to PPNC	...	...	...	...	...	...	...	...	...	...	...	...	...	...
New Projects	5,390	449	449	449	449	449	449	449	449	449	449	449	451	5,390
New Projects	1,225	102	102	102	102	102	102	102	102	102	102	102	103	1,225
Excess Capacity	11,610	968	968	968	968	968	968	968	968	968	968	968	962	11,610
Unit of Activity Charges	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Global Other-Misc. MUH Adjust	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total SPD	53,435	4,454	4,454	4,454	4,454	4,454	4,454	4,454	4,454	4,454	4,454	4,454	4,441	53,435
				13,382			13,362			13,362			13,349	

LOCAL PLAN 00000001 PLAN 0001 PLAN 0002 PLAN 0003

HIGHLY
CONFIDENTIAL
ABBT 0037534

22

PPRD SERVICES PURCHASED - SPD
RECONCILIATIONS YTD - \$
2001 PLAN

02/18/01
09:37 AM

TOTAL FIXED AND DIRECT CHARGES	01 PLAN	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
PASS THROUGH CHARGES:														
Protease 2nd Gen (ABT 378)														
Macrolide (ABT 773)	14,970	1,248	2,496	3,744	4,992	6,240	7,488	8,736	9,984	11,232	12,480	13,728	14,970	14,970
Macrolide (ABT 773) Pediatric														
Macrolide (ABT 773) LV														
Cholinergic Channel Modulator														
BPH Backup														
Endothelin	683	57	114	171	228	285	342	399	456	513	570	627	683	683
NPS-1778	490	41	82	123	164	205	246	287	328	369	410	451	490	490
Quinolone	5,762	480	960	1,440	1,920	2,400	2,880	3,360	3,840	4,320	4,800	5,280	5,762	5,762
Cancer - Anti Mitotic (Eisai-7010)	1,172	98	196	294	392	490	588	686	784	882	980	1,078	1,172	1,172
Clari 140H														
Cancer - Angiogenesis	2,753	229	458	687	916	1,145	1,374	1,603	1,832	2,061	2,290	2,519	2,753	2,753
Clari IV	4,297	358	716	1,074	1,432	1,790	2,148	2,506	2,864	3,222	3,580	3,938	4,297	4,297
Clari Process Improvements	1,700	142	284	426	568	710	852	994	1,136	1,278	1,420	1,562	1,700	1,700
New Products														
Misc Process Impv (ery Danisco)														
Subtotal Pass Through	31,827	2,653	5,306	7,959	10,612	13,265	15,918	18,571	21,224	23,877	26,530	29,183	31,827	31,827
DISCOVERY														
Natural Products Discovery														
Patents & Trademarks	370	31	62	93	124	155	186	217	248	279	310	341	370	370
Miscellaneous (Depr adjusted here)														
Discovery Special Labs	2,621	218	436	654	872	1,090	1,308	1,526	1,744	1,962	2,180	2,398	2,621	2,621
Subtotal Discovery	2,991	249	498	747	996	1,245	1,494	1,743	1,992	2,241	2,490	2,739	2,991	2,991
OTHER														
Dom Other-Ery Proc Imp	389	31	62	93	124	155	186	217	248	279	310	341	369	369
Global Other - Clari I														
Global Other - Clari IV														
Global Other - ABT 378 IV														
Global Other - Misc PMP														
Global Other - Misc (Add'l Warehou	23	2	4	6	8	10	12	14	16	18	20	22	23	23
Protease 2nd Gen to PPNC														
New Projects	5,390	449	898	1,347	1,796	2,245	2,694	3,143	3,592	4,041	4,490	4,939	5,390	5,390
New Projects	1,225	102	204	306	408	510	612	714	816	918	1,020	1,122	1,225	1,225
Excess Capacity	11,610	968	1,936	2,904	3,872	4,840	5,808	6,776	7,744	8,712	9,680	10,648	11,610	11,610
Unit of Activity Charges														
Global Other-Misc. MJH Adjust														
Total SPD	53,435	4,454	8,908	13,362	17,816	22,270	26,724	31,178	35,632	40,086	44,540	48,994	53,435	53,435

L:\GROUP\PLANNING\2001 PLAN\2001 FINAL Opco2.LWK

HIGHLY
CONFIDENTIAL
ABBT 0037535

23

PPRD SERVICES PURCHASED - SPD
RECONCILIATIONS MONTH - 1
2001 PLAN

EXPENSE
IN \$'M

FIXED CHARGES	01 PLAN	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
PASS THROUGH CHARGES:														
Protease 2nd Gen (ABT 378)	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Macrolide (ABT 773)	5,502	464	464	464	464	464	464	464	464	464	464	464	458	5,502
Macrolide (ABT 773) Pediatric	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Macrolide (ABT 773) LV	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Cholinergic Channel Modulator	---	---	---	---	---	---	---	---	---	---	---	---	---	---
BPH Backup	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Endothelin	490	41	41	41	41	41	41	41	41	41	41	41	39	490
NPS-1776	490	41	41	41	41	41	41	41	41	41	41	41	39	490
Quinolone	3,362	280	280	280	280	280	280	280	280	280	280	280	282	3,362
Cancer - Anti Mitotic (Etsai-7010)	907	76	76	76	76	76	76	76	76	76	76	76	71	907
Clarl 14OH	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Cancer - Angiogenesis	2,085	174	174	174	174	174	174	174	174	174	174	174	171	2,085
Clarl IV	1,225	102	102	102	102	102	102	102	102	102	102	102	103	1,225
Clarl Process Improvements	748	62	62	62	62	62	62	62	62	62	62	62	66	748
New Products	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Misc Process Impr (w/ Danisco)	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Subtotal Pass Through	14,865	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,229	14,865

DISCOVERY														
Natural Products Discovery	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Patents & Trademarks	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Miscellaneous (Dept adjusted here)	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Discovery Special Labs	2,821	218	218	218	218	218	218	218	218	218	218	218	223	2,821
Subtotal Discovery	2,821	218	218	218	218	218	218	218	218	218	218	218	223	2,821

OTHER														
Dom Other-Ery Proc Imp	369	31	31	31	31	31	31	31	31	31	31	31	28	369
Global Other - Clarl I	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Global Other - Clarl IV	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Global Other - ABT 378 IV	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Global Other - Misc PMP	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Global Other - Misc (Add'l Warehouse)	23	2	2	2	2	2	2	2	2	2	2	2	1	23
Protease 2nd Gen to PPNC	---	---	---	---	---	---	---	---	---	---	---	---	---	---
New Projects	5,390	448	448	448	448	448	448	448	448	448	448	448	451	5,390
Excess Capacity	1,225	102	102	102	102	102	102	102	102	102	102	102	103	1,225
Unit of Activity Charges	11,810	968	968	968	968	968	968	968	968	968	968	968	962	11,810
Global Other-Misc. MJH Adjust	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total SPD Fixed Charges	26,107	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010	2,897	26,107

DIRECT CHARGES														
PASS THROUGH CHARGES:														
Protease 2nd Gen (ABT 378)	9,408	784	784	784	784	784	784	784	784	784	784	784	784	9,408
Macrolide (ABT 773)	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Macrolide (ABT 773) Pediatric	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Macrolide (ABT 773) LV	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Cholinergic Channel Modulator	---	---	---	---	---	---	---	---	---	---	---	---	---	---
BPH Backup	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Endothelin	193	16	16	16	16	16	16	16	16	16	16	16	17	193
NPS-1776	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Quinolone	2,400	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Cancer - Anti Mitotic (Etsai-7010)	205	22	22	22	22	22	22	22	22	22	22	22	23	205
Clarl 14OH	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Cancer - Angiogenesis	668	55	55	55	55	55	55	55	55	55	55	55	63	668
Clarl IV	3,072	256	256	256	256	256	256	256	256	256	256	256	256	3,072
Clarl Process Improvements	852	80	80	80	80	80	80	80	80	80	80	80	72	852
New Products	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Misc Process Impr (w/ Danisco)	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Subtotal Pass Through	16,858	1,413	1,413	1,413	1,413	1,413	1,413	1,413	1,413	1,413	1,413	1,413	1,415	16,858

DISCOVERY														
Natural Products Discovery	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Patents & Trademarks	370	31	31	31	31	31	31	31	31	31	31	31	29	370
Miscellaneous (Dept adjusted here)	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Discovery Special Labs	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Subtotal Discovery	370	31	31	31	31	31	31	31	31	31	31	31	29	370

OTHER														
Dom Other-Ery Proc Imp	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Global Other - Clarl I	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Global Other - Clarl IV	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Global Other - ABT 378 IV	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Global Other - Misc PMP	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Global Other - Misc (Add'l Warehouse)	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Protease 2nd Gen to PPNC	---	---	---	---	---	---	---	---	---	---	---	---	---	---
New Projects	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Excess Capacity	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Unit of Activity Charges	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Global Other-Misc. MJH Adjust	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total SPD Direct Charges	17,328	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	17,328

L:\GROUP\USERS\GORDY\PLANS\2001 FINAL Q4001.VML

HIGHLY
CONFIDENTIAL
ABBT 0037536

24

PPRD SERVICES PURCHASED - SPO
RECONCILIATIONS YTD - \$
2001 PLAN

09/19/01
09:47 AM

FIXED CHARGES	'01 PLAN	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
PASS THROUGH CHARGES:														
Protease 2nd Gen (ABT 378)	5,502	464	828	1,392	1,858	2,320	2,784	3,248	3,712	4,176	4,640	5,104	5,568	5,502
Macrolide (ABT 773)	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Macrolide (ABT 773) Pediatric	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Macrolide (ABT 773) I.V.	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Cholinergic Channel Modulator	---	---	---	---	---	---	---	---	---	---	---	---	---	---
BPH Backup	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Endothelin	490	41	82	123	164	205	246	287	328	369	410	451	490	490
NPS-1776	490	41	82	123	164	205	246	287	328	369	410	451	490	490
Quinolone	3,352	280	560	840	1,120	1,400	1,680	1,960	2,240	2,520	2,800	3,080	3,362	3,362
Cancer - Anti Mitotic (Eisai-7010)	907	76	152	228	304	380	456	532	608	684	760	836	907	907
Clari 140H	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Cancer - Angiogenesis	2,085	174	348	522	696	870	1,044	1,218	1,392	1,566	1,740	1,914	2,085	2,085
Clari IV	1,225	102	102	102	102	102	102	102	102	102	102	102	205	205
Clari Process Improvements	746	62	62	62	62	62	62	62	62	62	62	62	185	185
New Products	746	62	124	186	248	310	372	434	496	558	620	682	748	748
Misc Process Impr (ery Danisco)	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Subtotal Pass Through	15,617	1,302	2,440	3,578	4,716	5,854	6,992	8,130	9,268	10,406	11,544	12,682	14,014	14,014
DISCOVERY														
Natural Products Discovery	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Patents & Trademarks	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Miscellaneous (Depr adjusted here)	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Discovery Special Labs	2,621	218	436	654	872	1,090	1,308	1,526	1,744	1,962	2,180	2,398	2,621	2,621
Subtotal Discovery	2,621	218	436	654	872	1,090	1,308	1,526	1,744	1,962	2,180	2,398	2,621	2,621
OTHER														
Dom Other-Ery Proc Imp	369	31	62	93	124	155	186	217	248	279	310	341	369	369
Global Other - Clari I	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Global Other - Clari IV	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Global Other - ABT 378 IV	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Global Other - Misc PMP	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Global Other - Misc (Add'l Warehouse)	23	2	4	6	8	10	12	14	16	18	20	22	23	23
Protease 2nd Gen to PPNC	---	---	---	---	---	---	---	---	---	---	---	---	---	---
New Projects	5,390	448	896	1,347	1,798	2,248	2,699	3,143	3,592	4,041	4,490	4,939	5,390	5,390
Excess Capacity	1,225	102	102	102	102	102	102	102	102	102	102	102	1,122	1,225
Unit of Activity Charges	11,610	968	1,936	2,904	3,872	4,840	5,808	6,776	7,744	8,712	9,680	10,648	11,610	11,610
Global Other-Misc, M/H Adjust	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total SPO Fixed Charges	35,855	2,672	5,892	8,882	11,796	14,784	17,812	20,828	23,828	26,836	29,844	32,852	35,852	35,852

DIRECT CHARGES	'01 PLAN	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
PASS THROUGH CHARGES:														
Protease 2nd Gen (ABT 378)	9,408	784	1,568	2,352	3,136	3,920	4,704	5,488	6,272	7,056	7,840	8,624	9,408	9,408
Macrolide (ABT 773)	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Macrolide (ABT 773) Pediatric	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Macrolide (ABT 773) I.V.	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Cholinergic Channel Modulator	---	---	---	---	---	---	---	---	---	---	---	---	---	---
BPH Backup	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Endothelin	193	16	32	48	64	80	96	112	128	144	160	176	193	193
NPS-1776	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Quinolone	2,400	200	400	600	800	1,000	1,200	1,400	1,600	1,800	2,000	2,200	2,400	2,400
Cancer - Anti Mitotic (Eisai-7010)	285	22	44	66	88	110	132	154	176	198	220	242	265	265
Clari 140H	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Cancer - Angiogenesis	668	55	110	165	220	275	330	385	440	495	550	605	668	668
Clari IV	3,072	250	512	768	1,024	1,280	1,536	1,792	2,048	2,304	2,560	2,816	3,072	3,072
Clari Process Improvements	952	80	160	240	320	400	480	560	640	720	800	880	952	952
New Products	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Misc Process Impr (ery Danisco)	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Subtotal Pass Through	16,958	1,413	2,826	4,239	5,652	7,065	8,478	9,891	11,304	12,717	14,130	15,543	16,958	16,958
DISCOVERY														
Natural Products Discovery	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Patents & Trademarks	370	31	62	93	124	155	186	217	248	279	310	341	370	370
Miscellaneous (Depr adjusted here)	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Discovery Special Labs	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Subtotal Discovery	370	31	62	93	124	155	186	217	248	279	310	341	370	370
OTHER														
Dom Other-Ery Proc Imp	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Global Other - Clari I	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Global Other - Clari IV	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Global Other - ABT 378 IV	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Global Other - Misc PMP	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Global Other - Misc (Add'l Warehouse)	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Protease 2nd Gen to PPNC	---	---	---	---	---	---	---	---	---	---	---	---	---	---
New Projects	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Excess Capacity	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Unit of Activity Charges	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Global Other-Misc, M/H Adjust	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total SPO Direct Charges	17,328	1,444	2,888	4,332	5,776	7,220	8,664	10,108	11,552	12,996	14,440	15,884	17,328	17,328

L:\GROUP\PLANNING\2001 PLAN\2001 PLAN.Dat,1904

HIGHLY
CONFIDENTIAL
ABBT 0037537

25

PPRD SERVICES PURCHASED - SPD
RECONCILIATIONS MONTH - \$
2001 PLAN

02/19/01
06:07 AM

	'01 PLAN	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
SUMMARY SPD														
Total Pilot Plant/PMP Stack Card	24,497	2,042	2,042	2,042	2,042	2,042	2,042	2,042	2,042	2,042	2,042	2,042	2,035	24,497
Total Bulk Drug Direct	17,328	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	17,328
Total Excess Capacity Stack Card	11,610	968	968	968	968	968	968	968	968	968	968	968	962	11,610
Total SPD	53,435	4,454	4,454	4,454	4,454	4,454	4,454	4,454	4,454	4,454	4,454	4,454	4,441	53,435
SUMMARY GLOBAL/DOMESTIC														
Total Global SPD	47,069	3,923	3,923	3,923	3,923	3,923	3,923	3,923	3,923	3,923	3,923	3,923	3,916	47,069
Total All Other Domestic SPD	6,366	531	531	531	531	531	531	531	531	531	531	531	525	6,366
Total SPD	53,435	4,454	4,454	4,454	4,454	4,454	4,454	4,454	4,454	4,454	4,454	4,454	4,441	53,435

KEY CHECK (S/B 0)→

L:\GROUP\PLANNING\2001 PLAN\2001 FINAL Opent.YWK4

PPRD SERVICES PURCHASED - SPD
RECONCILIATIONS YTD - \$
2001 PLAN

	'01 PLAN	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
SUMMARY SPD														
Total Pilot Plant/PMP Stack Card	24,497	2,042	4,084	6,126	8,168	10,210	12,252	14,294	16,336	18,378	20,420	22,462	24,497	24,497
Total Bulk Drug Direct	17,328	1,444	2,888	4,332	5,776	7,220	8,664	10,108	11,552	12,996	14,440	15,884	17,328	17,328
Total Excess Capacity Stack Card	11,610	968	1,936	2,904	3,872	4,840	5,808	6,776	7,744	8,712	9,680	10,648	11,610	11,610
Total SPD	53,435	4,454	8,908	13,362	17,816	22,270	26,724	31,178	35,632	40,086	44,540	48,994	53,435	53,435
SUMMARY GLOBAL/DOMESTIC														
Total Global SPD	47,069	3,923	7,846	11,769	15,692	19,615	23,538	27,461	31,384	35,307	39,230	43,153	47,069	47,069
Total All Other Domestic SPD	6,366	531	1,062	1,593	2,124	2,655	3,186	3,717	4,248	4,779	5,310	5,841	6,366	6,366
Total SPD	53,435	4,454	8,908	13,362	17,816	22,270	26,724	31,178	35,632	40,086	44,540	48,994	53,435	53,435

L:\GROUP\PLANNING\2001 PLAN\2001 FINAL Opent.YWK4

HIGHLY
CONFIDENTIAL
ABBT 0037538

26

PPRD AFFORDABILITY
RECONCILIATIONS MONTH - \$
2001 PLAN

02/19/01
08:07 AM

	2001 PLAN	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
SDG/Other
HIV/Knoll/QD/Other
Aegis Insurance
Genset #1
Genset #2
Neurosearch FTE \$2530, depr \$200
Coactinon
SPD IDV Liponavir
Thrombolytics to HPD (Ovrhd & Grants)
Data Management Absorption
Other New Products
Quinolone Payment
Division Task
Total SDG/Other

HIGHLY
CONFIDENTIAL
ABBT 0037539

27

Key Issues in 2001

UIGIAX
CONFIDENTIAL
ABBT 0037540

Figure

**Pharmaceutical Research & Development
Key Plus/Minus List
2001
(\$MM's)**

Description	Commentary	Probability	Pav/(Unfav)
DPI Agreement	Licensing agreement with Discovery Partners International. Accounting to be clarified with Corporate.	High	2.0
SPD Bulk drug for Ketolide	Discussions are currently on-going with SPD to drop the number of bulk manufacturing campaign runs from 6 to 4 for the April Update.	High	1.5 - 2.0
Ketolide FDA Strategy	The current Ketolide budget assumes all data that is scheduled to be submitted as part of the FDA Accelerated Approval timetable will be sufficient. In the event that the data is inconclusive (as determined by the FDA) additional dollars will be needed to continue existing studies.	High	(1.2)
Subtotal for High Probability Scenarios			
2.3 - 2.8			
CCM Milestone Funding	Go/No go decision is scheduled for May/June 2001. If the decision to continue development is made, additional funding will be needed to continue the program.	Medium	(8.8)
Ketolide Japan	Japan Phase I/II studies have been milestones funded. If positive data is available in the 4Q (this is the projected start date of the study), funding will be needed to stay on target with the expectations of Japan regulators.	Medium	(4.0)
Quinolone Milestone Payment	Currently, Phase I/II milestones payment is unfunded. If current enrollment levels are achieved for Phase I/II, additional funding will be necessary to satisfy our contractual obligations. There is a high probability that the contract will be renegotiated and the milestone payment will then come due in 1Q 2002.	Medium	(3.5)
Subtotal for Medium Probability Scenarios			
(17.3)			
Immunosuppressant Sale	Sale of this compound is expected in 2001. Global Pharmaceutical R&D Division could potentially receive the revenue from this sale.	Low	6.0
Karo Bio DDC	If Karo Bio does not produce a DDC, we will not owe them a milestone payment in 2001.	Low	1.0
Blinidomol Funding	Go/No go decision is expected in late 1Q or early 2Q 2001. If the decision to continue development is made, Phase III studies will require funding.	Low	(11.7)
Subtotal for Low Probability Scenarios			
(6.7)			

CONFIDENTIAL - This document contains information that is confidential and may be subject to the provisions of the Freedom of Information Act (5 U.S.C. 552). It is to be controlled, stored, handled, transmitted, and disposed of in accordance with the policies and procedures of the Department of Justice, Office of the Inspector General.

LOGS/JP/Pharm/198_Pwr_Jones List/01/01/01
2001 122

28

HIGHLY
CONFIDENTIAL
ABBT 0037541

2001 PLAN
PHARMACEUTICAL PRODUCTS RESEARCH & DEVELOPMENT

NEUROLOGY		In	Out
Depakote			
	<ul style="list-style-type: none"> - On going activities: elderly agitation, impulsive aggression, psychosis - New activities: polycystic ovary, new DR form, 250mg ER derivative bio 	<ul style="list-style-type: none"> - New formulations: epilepsy & migraine - Bipolar in pediatric market - Dose Proportionality - Pediatric Patient Extension - Psych - Acute Migraine - Depakote Status Epilepticus 	
ABT-684	<ul style="list-style-type: none"> - Milestone funded to Genfit Go decision June 2001 for neuropathic pain 	<ul style="list-style-type: none"> - Funding for 3rd and 4th qtr I Go decision is made 	
COX - II	<ul style="list-style-type: none"> - Completion of work started in 2000 bringing it to a logical stopping point 	<ul style="list-style-type: none"> - Continuation of pre clinical and Phase I studies 	
ABT-089	<ul style="list-style-type: none"> - Completion of work started in 2000 bringing it to a logical stopping point 	<ul style="list-style-type: none"> - Single/Multiple rising dose Ph I study 	
ABS-103	<ul style="list-style-type: none"> - Completion of work started in 2000 bringing it to a logical stopping point 	<ul style="list-style-type: none"> - Pre clinical studies - Single rising dose Ph I study 	
NFS-1716	<ul style="list-style-type: none"> - Completion of work started in 2000 bringing it to a logical stopping point 	<ul style="list-style-type: none"> - Pre clinical studies - Single and rising multiple dose Ph I study and formulation bio studies 	
Hydrocodone/bupropion	<ul style="list-style-type: none"> - Rapid dissolve and controlled release forms 		
ANTI-INFECTION			
Clarithromycin	<ul style="list-style-type: none"> - Extended Release Once/Day - Phase IV Int 	<ul style="list-style-type: none"> - Cystic Fibrosis - Asthma 	
Ketolide	<ul style="list-style-type: none"> - Tablet: FDA delayed review for ABT to add new sites and recto tissue studies to maintain NDA filing data. Cost = \$5.5MM - Drug interaction studies: Warfarin, Digoxin & Gatifloxacin #17 	<ul style="list-style-type: none"> - IV - Pediatric - Japan Ph I/III - Drug interaction studies: Lorazepam, Carbamazepine & Cyclosporine 	
Quinolone	<ul style="list-style-type: none"> - Tablet - \$3MM milestone payment for initiating Ph I/A 	<ul style="list-style-type: none"> - Milestone payment for initiation of Ph IIB \$3.5MM 	
Neuraminidase (ABT-677)		<ul style="list-style-type: none"> - 2 week toxicology study - single rising dose study - multiple rising dose study 	
Ornithine	<ul style="list-style-type: none"> - Otila Media 	<ul style="list-style-type: none"> - AECB & Pharyngitis 	

HIGHLY
CONFIDENTIAL
ABBT 0037542

UROLOGY/CARDIOLOGY**Fenofibrate (Fountain)**

	In	Out
	- Medical Affairs / Ph IV base level support	- Diabetes - PM Women - Feno Post M
KCO	- Pre Clinicals	
HIV		
Ritonavir	- Naviir / Roche Combo - Efficacy A & B	
Kaletra	- IBHSC/Acrdiox - Kridi (SEC reformulation) - HAART Metabolic complications - Start Phase IIIa Switch & Survival - Expanded Access - Ph II Pediatric - Ph III Naive	- Current assumption is that long term safety data from completed portion of Ph II Pediatric and Ph III Naive studies will suffice for FDA requirements. If the FDA requires us to finish these studies we will need about \$1.2MM.
Cyclosporine	- PREIER - European Switch Kidney plus Extension - Pediatric PK	
CANCER		
Endothelin (ABT-627)	- Ph III phase study #1 - Initiate Ph III phase study #2 - QTC - Bioequivalence - Drug Interaction studies: Perindopril	- Early Stage Pos - Ph I explorations - Drug Interaction studies: Midazolam, Ketorolac & Risperidin
TSP #1 (ABT-610)	- Multiple dose in cancer patients - IND study	- Manufacturing & Toxicology
Metalloproteinase	- Multiple dose in cancer patients - IND study	- Manufacturing & Toxicology
Anti-Mitotic (ABT-761)	- Multiple dose in cancer patients - IND study	
K-6		- Pre clinical / Ph I studies
FTI #2		- Pre clinical / Ph I studies
Other New Products		- DDC's & In - licensing
Other		- ADF, Exploratory, AEGIS Media, productivity projects - Bioclonal
Discovery		- Genent

HIGHLY
CONFIDENTIAL
ABBT 0037543

Analgesia Venture
ABT-594
2001 PLAN KEY STATISTICS Pass II
(\$000)

Project	2001 Target	2000 AGU	2001 PLAN	Target vs PLAN Fav(Unfav) Var
Neuronal nicotinic receptor antagonist (Milestone Funded to Go/No Go June, 2001)	9,300	14,411	9,307	(7)

Key Milestones / Assumptions	00 AGU	01 PLAN	Status (on target, pending or delayed to)
• IND Filing	7/98	7/98	Completed
• Initiate Phase II - U.S.	7/98	7/98	Completed
• Go/No Go Clinical Efficacy (Phase IIa)	9/99	9/99	Completed
• Go/No Go Clinical Efficacy (Phase IIb)	2/01	6/01	Delayed
• Initiate Phase III - U.S.	9/01	4/02	Delayed
• File NDA U.S./EMEA EU	5/03	9/03	Delayed
			Last patient enrolled 1/5/01, n = 269

PARD	00 AGU	01 PLAN	Analysis P. Support Milwaukee Chem & Process Justification
• Analytics Dev & Support	8/99	6/01	Formulation scale-up and process optimization
• Formulation Dev & Support	7/98	2/00	Completion of M99-114, Phasing 3 Ph I study supplies
• Clinical Finishing	6/07	1/05	Coordination of activities and support of go/no go meeting prep
• Project Management Support	1/78	6/03	
• PARO Total	2,409	1,075	

Total Venture Management	00 AGU	01 PLAN	Analysis P. Support Milwaukee Chem & Process Justification
• Expense: \$3,988, reflecting milestone funding	8/99	6/01	Formulation scale-up and process optimization
• Authorized Heads: Flat to AGU until July, 2001, ABT-594, Go/No Go Decision, then 11 headcount after July, 2001	7/98	2/00	Completion of M99-114, Phasing 3 Ph I study supplies

Clinical Grants	In Patient Dosed	Last CRF	R/oss 2000 AGU	Start	End	Cost	00 AGU	01 PLAN	Variance
Phase I									
M98-971	Apr-01	Nov-01		Apr-01	Dec-01	165	165	165	
TBD	Aug-01	Nov-01		Feb-01	Nov-01	300	300	300	
TBD	Apr-01	Jul-01		Mar-01	Sep-01	500	500	500	
Phase IIb									
M99-114	Apr-00	Mar-02		Apr-00	May-01	3,100	3,000	100 A	
Total						<u>4,065</u>	<u>3,000</u>	<u>1,065</u>	

A Increased cost result of additional CRO monitoring costs.

3/01 1:51 AM L:\GROUP\ABT\Analgesia Venture\2001\Budget Publishing\01Plan venture pass2 3/23/01 J54 Key Stat

HIGHLY

CONFIDENTIAL
 ABBT 0037544

3/

Analgesia Venture
ABT-089
2001 PLAN KEY STATISTICS Pass II
(\$000)

Project	2001 Target	2000 AGU	2001 PLAN	Target vs PLAN Fav(Unfav) Var
Neuronal nicotinic receptor modulator (Unfunded)	600	3,000	613	(13)

Key Milestones / Assumptions	00 AGU	01 PLAN TBD	Status (on target, pending or delayed to x)
Transition Team Go/No Go			Unfunded, program on hold

PARD	00 AGU	01 PLAN
• Analytics Dev & Support	156	...
• Formulation Dev & Support	147	...
• Clinical Finishing	34	...
• Project Management Support	29	...
• PARD Total	366	...

Total Venture Management	00 AGU	01 PLAN
• Expense: \$3,988, reflecting milestone funding		
• Authorized Heads: Flat to AGU until July, 2001, ABT-594 Go/No Go Decision, then 11 headcount after July, 2001		

Clinical Grants	1st Patient Dosed	Last CRF	R/loss 2000 AGU	Start	End	Cost
				2001 PLAN	00 AGU	01 PLAN
				Start	End	Variance

Phase I

Total

2/18/01 1:10 AM L:\GROUP\B\analog\Analgesia Venture\0001\Budget Package\01 Plan venture package pass 2\2.0.0101 Key Stat

JUCHLY

CONFIDENTIAL
ABBT 0037546

33

Woidat Deposition Exhibit 2

P's Exhibit MB

Part 2

**Analgesia Venture
ABS-103
2001 PLAN KEY STATISTICS Pass II
(\$000)**

Project	2001	2000	2001	Target vs PLAN
	Target	AGU	PLAN	Fav(Unfav) Var
ABS - 103 (Unfunded)	***	**	***	**
Key Milestones / Assumptions	Status (on target, pending or delayed to x)			
- DDC Meeting		00 AGU	01 PLAN	
-			4/2001	
-				
-				
-				
-				

FAIR	00 AGU	01 PLAN
- Analytics Dev & Support	400	400
- Formulation Dev & Support	400	400
- Clinical Finishing	400	400
- Project Management Support	400	400
FAIR Total	1,600	1,600

<u>Total Venture Management</u>					
- Expense:	\$3,988,	reflecting milestone funding			
- Authorized Heads:	Flat to AGU until July, 2001,	ABT-594 Go/No Go Decision, then 11 headcount after July, 2001			

<u>Clinical Grants</u>						
		1st Patient		R/loss		
	Dated	CRF	Last		2000 AGU	
					Start	End

<u>SFD Requirements</u>					
	Kpa	Heads	Mant Cost	Total Cost	
2000 AGU	**	**	**	**	
2001 PLAN	**	**	**	**	

		R/loss		Cost	
	2001 PLAN	Start	End	Total	00 AGU 01 PLAN
					Variance

Phase I

HIGHLY
CONFIDENTIAL
ABBT 0037547

Total

THE FILM

FOR OUR CUSTOMERS: Year 2000 Budget Packages (01/94) version package from 2/2/2001/2001 2/2/2001

34

Analgesia Venture
NPS 1776
2001 PLAN KEY STATISTICS Pass II
(\$000)

Project	2001 Target	2000 AGU	2001 PLAN	Target vs PLAN Fav(Unfav) Var
NPS-1776 (Unfunded)	500	---	537	(37)

Key Milestones / Assumptions	00 AGU	01 PLAN 4/2/001	Status (on target, pending or delayed to x)
DDC Meeting			

PARD	00 AGU	01 PLAN
• Analytics Dev & Support		---
• Formulation Dev & Support		---
• Clinical Finishing		---
• Project Management Support		---
• PARD Total	---	---

Total Venture Management	00 AGU	01 PLAN
• Expense: \$3,988, reflecting milestone funding		
• Authorized Heads: Flat to AGU until July, 2001, ABT-594, Go/No Go Decision, then 11 headcount after July, 2001		

SPD Requirements	Kps	Heads	Manl Cost	Total Cost
2000 AGU	---	---	---	---
2001 PLAN	---	---	---	490

Clinical Grants	1st Patient Dated	Last CRF	R/oss 2000 AGU Start	R/oss 2001 PLAN Start	End	Total	00 AGU	01 PLAN	Variance

HIGHLY
CONFIDENTIAL
ABBT 0037548

Total

2/18/08 10:41 AM L:\GROUP\Nathan\Analgesia Venture\2001 Budget Package\01 Plan venture package pass 2\GLD\NPS Key Sum

**ANTI-INFECTION FRANCHISE
CLARITHROMYCIN
2001 PLAN KEY STATISTICS
(2006)**

Indication	2000 AGU	2001 Plan	2001 PLAN Fav(Unfav) vs. AGU
Extended Release Once/Day	10,688	5,455	5,233
Pediatric New Strength (MR-C)	107	41	66
XL MR Patient Protection world wide (PARINDO)	883	152	731
AI Pediatric	4,573	30	4,543
Phase IV Init.	3,091	9,395	(6,304)
AI 1 Gram Tablet	2,985	11	2,974
Japan 400MG Tablet	1,881	0	1,881
Other	2,109	584	1,525
Total Clarithromycin	26,317	15,678	10,639
Plan Target	26,400	14,900	(11,500)
Variance Fav(Unf) vs. target	83	(778)	(861)

Key Milestones / Assumptions	'00 AGU	'01 PLAN	Status
Extended Release Once/Day			
• Initiate BAL study Label addition for Blain XL	--	8/00	Complete
• Initiate Mucolytic - Private IND Studies (Investig. Initiated)	--	8/00	Complete
• Initiate Immunomodulatory Program - Private IND Studies (Investig. Initiated)	--	8/00	Complete
• Initiate Pertussis study (Investigator Initiated)	--	TBD	
PARINDO			
• Patient protection effort for XL and MR formulations	AGU 1/00	'01 PLAN 3/01	Ongoing
• Budget (\$000)			
Analytical Development & Support	AGU 879	2001 PLAN 335	2001 vs AGU Fav(Unf) 544
Formulation Development & Support	2,081	231	1,850
Clinical Finishing	299	358	(59)
Project Mgt.	320	137	183
Total	3,559	1,061	2,498
PARINDO Variance by Project			
ER Once/Day			1,204
Ped New Str			107
AI Ped 1/Day			449
Patient			631
Other			47
Total			2,438

Variance Management / Total Department

- Expense:
- \$12,298M (Increase of \$3,64M vs 2000 Actual; includes ABT-482 milestone payment of \$3M).
- \$1M Milestone Payment
- Total Results - 41, unchanged vs. AGU. Abbot full time - 34, unchanged vs. AGU.

CAPD Requirements				
AGU	Kgs	Heads	Metl Cost	Total Cost
2001	0	0	328	328 A
2000	0	0	0	0

A) Project budget does not include Phase IV bulk drug development expense (process improvement) of \$4.7MM; \$3.26M included in AGU for 14-OH metabolite.

Domestic Studies		1st Patient Dosed	Last CRF	ROSS 2000 AGU	ROSS 2001 PLAN	Study Total	Cost (\$000)	2001 Fav(Unf.) vs. AGU
Accrual Adjustments - Completed Studies				Start	End	Start	End	
Extended Release Once/Day								
M99-498	Blain XL vs. Augmentin in AECB (300 pts)	9/99	4/00	9/99	4/00	9/99	4/00	1,277
M99-477	Blain XL vs. Levofloxacin in CAP (replace Trova 300 pts)	9/99	7/00	9/99	7/00	9/99	7/00	2,333
M99-463	Blain XL + Ceph. IV Step Down study vs. Lev. (150 pts)	1/00	12/00	1/00	12/00	1/00	12/00	500
M99-462B	Blain XL Immunomodulatory Claim	1/00	12/00	1/00	12/00	1/00	12/00	500
M00-306	Blain XL Mucolytic - Private IND Studies (Inv. Init.; 30 pts.)	9/00	12/01	9/00	12/01	9/00	12/01	180
M00-308	Blain XL Mucolytic - Private IND Studies (Inv. Init.; 50 pts.)	9/00	12/01	9/00	12/01	9/00	12/01	180
M00-307	Blain XL Immunomodulatory - Private IND (Inv. Init. pat. TB)	3/00	12/02	3/00	12/01	3/00	12/01	680
* Note: M00-306, M00-307, M00-308 continuations of M99-462B								
M00-314	BAL study Label addition for Blain XL (45 patients)	8/00	4/01	8/00	4/01	8/00	4/01	350
TBD	Pertussis Investigator Initiated study (patients TBD)	TBD	TBD	TBD	TBD	TBD	TBD	150
N/A	Counter Resistance - Animal In Vitro studies CAP registry	N/A	N/A	N/A	N/A	N/A	N/A	1,050
Total Domestic								11,140
International								
W99-317	PRSP/CRP IR	11/99	8/00	11/99	8/00	11/99	8/00	2,500
Pediatric (International)								
Multiple	AI Ped Once-A-Day	1/00	12/02	1/00	12/00	1/00	12/02	1,300
Other (International)								
Multiple	AI 1 Gram PK Studies	1/00	12/02	1/00	12/00	1/00	12/02	2,790
Multiple	AI Japan 400MG Tablet	1/00	12/02	1/00	12/00	1/00	12/02	3,488
Multiple	Clar MR	1/01	12/01	1/01	12/01	1/01	12/01	0
Multiple	Clar OD XL vs. MR	4/00	12/02	4/00	12/00	4/00	12/02	9,056
MECAPP								
Italy Vaccine (Included in Domestic - Immunomodulatory)								
Total International								11,070
Total Global								22,210

L:\GROUP\BROWMAN\CLARKEY\ST.122

04:18 PM

31-Jan-01

HIGHLY
CONFIDENTIAL
ABBT 0037549

36

ANTI-INFECTIVE FRANCHISE
Ketide ABT-773
2001 PLAN KEY STATISTICS
(\$000)

2000	2001	2001 PLAN vs. '00 Actual
Actual	PLAN	Fav(Unfav)
KETIDE ABT-773		
Tablet	67,527	60,574 (20,987)
Pediatric	2,842	1 (2,874)
Japan Formulation/Registration	2,937	1,628 C (1,309)
N	1,900 A	64 (1,836)
Target	74,326	60,274 (13,748)
Variance Fav(Unf.) vs. Target	74,109	60,000 (13,900)
	(426) A	(2,274) B (1,344)
A) Unfunded IV Project responsible for variance from target.		
B) Variance expected to be reduced in APD by reduction of one SPD bulk drug campaign (\$1.6MM) and reduction in international support to Japan registration (\$1.4MM).		
C) Japan Registration estimate for 2001 assumes delay in Phase III studies to 2002.		
Key Milestones / Assumptions	00 AGU	01 PLAN
Complete Phase III	8/00	8/00
End of Phase II - FDA Meeting	10/00	12/00
Initiate Phase III - North America / Europe	11/00	11/00
Initiate Phase III - South Africa / South America		4/01
Pediatric Formulation Qc / No-Qc	8/00	11/00
SPD Bulk Drug: (Year 2001: 5 deliveries of 335KG +/- 1,675KG Total)	10/1-12/01	10/1-12/01
Initiate Phase III CAP / Simultaneous studies	8/01	11/01
File Pediatric NDA	8/02	6/02
File Pediatric and IV NDAs	7/00	7/00
Phase	00 AGU	01 PLAN
Scale Up activities 75L	8/98-1/00	8/98-1/00
Intermediate scale up 300L	12/98-2/00	12/98-2/00
Budget	2,801	1,722
Analytical Development & Support	2,222	1,456
Formulation Development & Support	1,845	1,478
Clinical Packaging	547	567
Project Mgt.	6,576	8,234
Total		

Vendor Commitments

Expense:
 \$12,020M (increase of \$3,564M vs 2000 Actual; includes ABT-482 Milestone payment of \$3MM)

Total Heads - 41, unchanged vs AGU. Abbott full time = 38, unchanged vs AGU.

RPO Requirements				
Kgs	Needs	Direct Cost	Task	Total Cost
2000 AGU	2335	18,808	18,808	22,832
2001 PLAN	1,875	14,908	14,908	14,908
A) 2186 Kgs for Tablet Formulation, 242 Kgs for Pediatric, 60 Kgs for IV at \$7,500/kg.				
Total CAPD costs include headcount related charges of \$7.4MM.				
B) 2,520 Kgs @ \$7,500/kg = headcount and preproduction charges of \$18.9MM. Does not reflect planned reduction of one bulk drug campaign.				
C) 1,875 Kgs @ \$5,000/kg = headcount and preproduction charges of \$9.375MM. Does not reflect planned reduction of one bulk drug campaign.				

	1st Patient Dosed	Last Dosed	CRF	ROSS 2000 AGU		ROSS 2001 PLAN		Study Total	Cost (\$000)		2001 Fav(Unfav.) vs. AGU
				Start	End	Start	End		2000 AGU	2001 PLAN	
ACPRU STUDIES (initiated in 2001)											
Ble 300L-1200L			5-01			5-01	12-01	216		216	(216)
Ble 300L-600L, EE			11-01			11-01	8-02	231		231	(231)
Drug Interaction Lorazepam - (delayed to 2002)			7/00			7/00	7/00	175			
Drug Interaction Warfarin			2-01			2-01	8-01	214		214	(214)
Drug Interaction Digoxin			1-01			1-01	7-01	372		372	(372)
Drug Interaction Carbamazepine (delayed to 2002)			7/00			7/00	7/00	215		--	--
Drug Interaction Cyclosporin (delayed to 2002)			7/00			7/00	7/00	280		--	--
Drug Interaction Ganciclovir #17			10-01			10-01	10-02	162		162	(162)
ABT-773 Site 1SL to 300L			5-01			5-01	10-01	175		175	(175)
ACPRU Total New 2001 Studies										1,379	(1,379)
PHASE III STUDIES											
M99-054 CAP	8-99	8/00	8-99	8/00	8-99	8/00	8/00	4,089	1,637	--	1,637
M99-053 Simvastatin	8-99	8/00	8-99	8/00	8-99	8/00	8/00	3,172	1,540	--	1,540
M99-048 ACEB	8-99	8/00	8-99	8/00	8-99	8/00	8/00	3,883	2,212	--	2,212
Warfarin								210	157	--	157
TOTAL PHASE III STUDIES								11,354	6,542	--	6,542
2000 External Site Studies											
M98-119 Japan Phase I	12/99	4/00	12/99	4/00	12/99	4/00	4/00	857	790	--	790
M98-142 Tissue Studies	3/00	12/00	3/00	12/00	3/00	12/00	12/00	468	489	--	489
Tissue Study - Covid - 150mg	3/01	12/01	3/01	12/01	3/01	12/01	12/01	500	--	500	(500)
Tissue Study - Covid - 150mg QD vs. 150mg BID	3/01	12/01	3/01	12/01	3/01	12/01	12/01	500	--	500	(500)
Renal	9/00	2/01	9/00	2/01	9/00	2/01	2/01	300	69	138	(89)
Hepatic	3/00	3/01	3/00	3/01	3/00	3/01	3/01	313	251	62	189
								2,529	1,573	1,380	379
JAPAN STUDIES (New Formulation)											
Japan Phase I	10/00	5/01	10/00	5/01	10/00	5/01	5/01	1,800	1,800	--	1,800
Japan Phase II			--	--	8/01	4/02		22,080	--	--	--
								23,880	1,800	--	1,800
PHASE II STUDIES											
Multiple Phase II Start-Up	8/00	8/00	8/00	8/00	8/00	8/00	8/00	1,306	1,306	--	1,306
M00-221 (M98-099) CAP - Loro 500mg QID, NA/SA (450 pat.)	8/01	3/02	8/01	3/02	11/01	3/02	3/02	4,200	--	2,343	(2,343)
M00-218 (M00-152) CAP - Open Label NA (800 pat.)	11/00	8/01	11/00	8/01	11/00	8/01	8/01	16,286	3,535	12,751	(9,196)
M00-229 (M00-151) CAP - Amoxicillin + Az. EU (500 pat.)	8/01	3/02	8/01	3/02	11/01	3/02	3/02	5,700	--	1,629	(1,629)
M00-226 (M00-143) Simvastatin - Celecoxib 250mg BID, NA (150 pat.)	9/01	3/02	9/01	3/02	11/01	3/02	3/02	4,400	--	1,257	(1,257)
M00-225 (M00-087) Simvastatin - Open Label, NA, SA, EU (800 pat.)	11/00	8/01	11/00	8/01	11/00	8/01	8/01	9,256	2,037	7,219	(5,182)
M00-216 (M00-150) Simvastatin - vs. Augmentin 875mg BID, EU (500 Pat.)	9/01	3/02	9/01	3/02	11/01	3/02	3/02	5,300	--	1,614	(1,614)
M00-230 Simvastatin Double Top	4/01	8/02			4/01	6/03		850	--	510	(510)
M00-216 (M98-088) AEECB - Loro 500mg QID, NA	11/00	8/01	11/00	8/01	11/00	8/01	8/01	7,721	1,830	5,791	(2,881)
M00-217 (M98-143) AEECB - Azithromycin NA, EU, SAF	11/00	8/01	11/00	8/01	11/00	8/01	8/01	5,224	1,168	4,056	(2,848)
M00-221 (M00-090) Pharyngitis - Penicillin 250 TID, NA, SA (320 pat.)	11/00	8/01	11/00	8/01	11/00	8/01	8/01	4,729	1,185	3,544	(2,399)
M00-222 (M00-157) Pharyngitis - Penicillin 500mg QID, EU (320 pat.)	11/00	8/01	11/00	8/01	11/00	8/01	8/01	4,829	1,054	3,575	(2,571)
								72,581	12,233	44,139	(31,634)
Other Studies											
A.B. Little Pediatric Taste Testing	3/00	2/01	3/00	2/01	3/00	2/01	2/01	270	225	45	180
Completed Pediatric Prototype Studies	8/00	12/00	8/00	12/00	8/00	12/00	12/00	225	225	--	(225)
Microbiology PK/PD Studies	1/00	12/01	1/00	12/01	8/00	12/01	12/01	3,500	1,811	2,689	(1,889)
Pediatric PK/PD, Phase II	6/00	8/00	6/00	8/00	6/00	8/00	8/00	1,500	331	--	331
GRAND TOTAL (EXCLUDING ACPRU)											
								116,581	23,063	47,484	(24,399)

L:\GADP\BROWNE\PLAN\KEY773May4.129

31-Jun DE 12 PM

HIGHLY
 CONFIDENTIAL
 ABBT 0037550

31

**ANTI-INFECTION FRANCHISE
QUINOLONE ABT-452
2001 PLAN KEY STATISTICS
(\$000)**

Indication	2000 Actual	2001 PLAN	2001 PLAN Fav(Unfav) vs. Actual
Development	7,063	21,341	(14,278)
Milestone Payment (Phase IIA)	0	3,000	(3,000)
Total Quinolone	7,063	24,341	(17,278)
Target	6,800	25,000	(18,200)
Variance Fav(Unf) vs. target	(263)	659	922

Key Milestone / Assumptions	'00 AGU	'01 PLAN	Status
• INITIATE PHASE I STUDIES	4Q '00	4Q '00	Complete
• INITIATE PHASE IIA SAFETY STUDY	—	3Q '01	On target
• NDA Filing	4Q '03	4Q '04	Delayed one year due to funding limitation.

PARD	'00 AGU	'01 PLAN	
• Formulation Development	—	1/01	On target
• IIC Phase II	—	6/01	On target
• PARD Commercial	—	—	—

Budget (PARD)	'00 AGU	'01 PLAN	Fav(Unf)
Analytical Development & Support	225	515	(290)
Formulation Development & Support	274	341	(67)
Clinical Finishing	36	10	26
Project Mgt.	69	85	(36)
Total	594	951	(357)

Venture Management (Total Department)
• Expense: \$12,820M (Increase of \$3,564M vs 2000 Actual; includes ABT-452 Milestone payment of \$3M, \$3M Milestone Payment)
• Total Heads - 41, unchanged vs. AGU. Abbott full time - 39, unchanged vs. AGU.

CAPO Requirements	Pilot	Personnel	Total Cost
AGU	0	118	594 A
2001 PLAN	600	1,470	5,762 B

A) CAPO Pilot Plant 12 weeks @ \$40M/week and 1 person for 6 months
B) CAPO Pilot Plant 44 weeks @ \$43M/week, 5 headcount @ \$245M, 800kg of bulk drug.

	1st Patient Dosed	Last CRF	R/OSS 2000 AGU	R/OSS 2001 PLAN	Study Total	Cost(\$000)	2001 Fav(Unfav.) vs. 2000 Act
			Start	End	Start	End	
Phase I							
Single Dose/ Food Effect in Healthy Volunteers (108 pat)	11/00	01/01	4Q 2000	4Q 2000	9/00	01/01	850
Multiple Rising Doses in Healthy Volunteers (50 patients)	01/01	03/01	4Q 2000	4Q 2000	02/01	05/01	500
Phase IA / Bio Studies (3 studies)			04/01	09/01	04/01	09/01	700
PHASE I TOTALS							2,050
Microbiology Studies							710
Phase IIA							
AECB (250 patients)	06/01	04/02			08/01	04/02	3,750
SUBTOTAL PHASE I / PHASE IIA							6,510
Phase IIR							
CAP (250 patients)	11/01	07/02			11/01	07/02	3,750
Uncomplicated UTI (300 patients)	01/02	09/02			01/02	09/02	1,650
Skin and Skin Structure Infection (300 patients)	01/02	12/02			01/02	12/02	2,100
PHASE II B TOTAL							7,500
Total							14,010

L2620P000001\AG00073\excl.02

1024 AM

HIGHLY
CONFIDENTIAL
ABBT 0037551

38

**ANTI-INFECTION FRANCHISE
OMNICEF
2001 PLAN KEY STATISTICS
(\$000)**

Indication	2000 AGU	2001 PLAN	2001 PLAN Fav/(Unfav) vs. AGU
Development	0	4,843	(4,843)
Total	0	4,843	(4,843)
Target	0	5,000	(5,000)
Variance Fav/(Unf) vs. target	0	157	157

Key Milestones / Assumptions	'00 AGU	'01 PLAN	Status
• INITIATE ACUTE OTITIS MEDIA STUDY		09/01	On Target

PARO	'00 AGU	'00 AGU	Status
• To be defined			
• Budget	'00 APU	'00 AGU	AGU vs APU Fav/(Unf)
Clinical Finishing	0	92	(92)
Project Mgt.	0	0	0
Total	0	92	(92)

Venture Management (Total Department)

- Expenses:
\$12,628M (Increase of \$2,864M vs 2000 Actual; includes ABB-402 Milestone payment of \$3M).
- \$250M Milestone Payment
- Total Heads - 61, unchanged vs. AGU. Abbott full time - 25, unchanged vs. AGU.

CADD Requirements		Pilot	Personnel	Total Cost
Kgs	Heads	Plant		
0	0	0	0	0
2001 PLAN	0	0	0	0

Phase	1st Patient Dosed	Last CRF	ROSS 2000 AGU		ROSS 2001 PLAN		Study Total	Cost(\$000)		2001 Fav/(Unfav.) vs. AGU
			Start	End	Start	End		2000 AGU	2001 PLAN	
Phase IV										
Acute Otitis Media 3 Arm 50 QD BID vs. Zithromax (250 po)	06/01	07/02			06/01	05/02	6,000		3,000	(3,000)
PHASE IV TOTALS							6,000		3,000	(3,000)

~~C:\G:\BROWN\PLAN2001\omnicef\WK4 06/03 PM 06:00:00 6,000 3,000 (3,000)~~

L:\GROUP\BROWN\PLAN2001\omnicef\WK4

06/03 PM

HIGHLY
CONFIDENTIAL
ABBT 0037552

39

UROLOGY
KCO ABT-598
2001 PLAN KEY STATISTICS
(\$000)

Project	2001 Target	2000 AGU	2001 PLAN	PLAN vs TARGET Fav(Unfav) Var
Project Name KCO ABT-598	4500	0	4960	(460)

Key Milestones / Assumptions	00 AGU	01 PLAN	Status (on target, pending or delayed to x)
- First Study	N/A	11/01	On target to PLAN
- Second Study	N/A	8/02	On target to PLAN
- Feasibility of ER Prototypes completed	N/A	11/02	On target to PLAN
- Go/No go Decision	N/A	11/02	On target to PLAN

PARD	00 AGU	01 PLAN	Support Discovery
- Analytics Dev & Support	---	328	
- Formulation Dev & Support	---	221	
- Clinical Finishing	---	56	
- Project Management Support	---	43	
- PARD Total	---	648	

Total Venture Management	00 AGU	01 PLAN	Head	Cost	Total Cost
- Expense: Plan expense at \$1,328.	---	---	---	---	---
- Authorized Heads: D-42U headcount at 14. KCO estimated equivalents 5.9	---	---	---	---	---

Clinical Grants	Study Name	1st Patient Dosed	Last CRF	Start	End	2000 AGU	2001 PLAN	Total	00 AGU	01 PLAN	Variance
Pre-Phase I	SD Escalating Dose	11/01	2/02	11/01	2/02	11/01	2/02	780	0	380	(380)
Phase I	Rate of Rise	5/02	8/02	5/02	8/02	5/02	8/02				

Phase II

Phase III

Total

24-Jan

HIGHLY
CONFIDENTIAL
ABBT 0037553

780 380 (380)

40

**ANTI-VIRAL
NORVIR ABT-538
2001 PLAN KEY STATISTICS
(\$000)**

Project									
Venture Programs									
Phase-IV Programs									
Total									
2001									
Target									
2000									
AGU									
2001									
PLAN									
PLAN vs TARGET									
Pay(Unfuf) Var									
220									
(240)									
(20)									
Key Milestones / Assumptions									
Continue combination studies									
00 AGU									
2001									
01 PLAN									
2001									
Status (on target, pending or delayed to x)									
Ongoing									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									
2001									
01 PLAN									
2001									
00 AGU									

ONCOLOGY GROUP
ATRASENTAN (ABT-827)
2001 PLAN KEY STATISTICS
 (\$000)

Project	2001 Target	2000 AGU	2001 PLAN	PLAN vs Target Fav(Unfav) Var
Endothelin Antagonist	39,200	13,000	38,843	557

Key Milestones / Assumptions	00 AGU	01 PLAN	Status (on target, pending or delayed to)
- Phase III Pivotal Study (M00-211)	40,000	5/01	Delayed to 8/01.
- Initiate Phase III Pivotal Study #2 (M00-244)	-	8/01	Delayed to 8/01.
- QIC, Bioequivalence and Drug Interactions	-	2Q/01	On target

PARO	00 AGU	01 PLAN	NOTE
- Analytics Dev & Support	801	1,555	NOA is a and stability support, plus clinical study
- Formulation Dev & Support	440	833	supply and re-supply.
- Clinical Finishing	67	1,018	
- Project Management Support	58	195	
- PARO Total	1,366	3,602	

Total Venture Management	00 AGU	01 PLAN	NOTE
- Expense: \$7,248M of \$11,712M	801	1,555	NOA is a and stability support, plus clinical study
- Authorized Heads: 38 Regular and 9 Other	440	833	supply and re-supply.
	67	1,018	
	58	195	
	1,366	3,602	

Clinical Grants	00 AGU	01 PLAN	NOTE
- Phase II	801	1,555	NOA is a and stability support, plus clinical study
- Phase III	440	833	supply and re-supply.
- Phase IV	67	1,018	
- Phase V	58	195	
- Phase VI	1,366	3,602	

Phase II	1st Patient Dosed	Last CRF	2000 AGU	Start	End	2001 PLAN	Start	End	Total	00 AGU	01 PLAN	Variance
M89-584	2/98	TBD	12/99	8/97	12/00	9,858	8/97	12/00	9,858	...	...	...
M87-738	4/98	TBD	12/00	1/98	12/00	3,200	1/98	12/00	3,200	...	...	...
Clin Pharm	4/01	8/01	n/a	4/01	12/01	281	4/01	12/01	281	...	281	(281)
Clin Pharm	8/01	8/01	n/a	8/01	12/01	321	8/01	12/01	321	...	321	(321)
Clin Pharm	1Q/02	2Q/01	n/a	1Q/02	3Q/02	0	1Q/02	3Q/02	0	...	...	...
Clin Pharm	1Q/02	2Q/01	n/a	1Q/02	3Q/02	0	1Q/02	3Q/02	0	...	...	...
Clin Pharm	4/01	8/01	n/a	4/01	12/01	182	4/01	12/01	182	...	182	(182)
Clin Pharm	1Q/02	2Q/01	n/a	1Q/02	3Q/02	0	1Q/02	3Q/02	0	...	...	...
Phase III												
M00-211	6/01	8/03	12/00	12/00	1/04	39,338	12/00	1/04	39,338	1,850	12,420	(10,470)
M00-244	6/01	12/04	...	6/01	12/04	35,000	6/01	12/04	35,000	...	5,888	(5,888)
M00-255	TBD	TBD	...	10/01	12/04	11,000	10/01	12/04	11,000	...	848	(848)
TBD	TBD	TBD	...	7/01	12/04	2,000	7/01	12/04	2,000	...	288	(288)
Less Clin Pharm studies						(784)			(784)	...	(784)	784
Total						100,394			100,394	1,950	19,252	(17,302)

43

28-Jan
 HIGHLY

CONFIDENTIAL
 ABBT 0037556

ONCOLOGY GROUP
TSP (ABT-510)
2001 PLAN KEY STATISTICS
(\$000)

[ect	2001		2000		2001		PLAN vs Target Fav(Unfav) Var
	Target	AGU	AGU	PLAN	PLAN		
nilutamide Thrombospandin	9,000	6,800		9,981		(981)	

Milestones / Assumptions	00 AGU		01 PLAN		Status (on target, pending or delayed to x)
	8/00	2Q/01	2Q/01	6/01	
Phase I Multiple Dose Study	-	-			Delayed - Accommodate European Ethics Committee
re-IND Meeting	-	-			On Target
Phase IND Study	-	-			On Target

RD	00 AGU		01 PLAN		Notes
	391	211	625	355	
Analytics Dev & Support					
Formulation Dev & Support					
Clinical Finishing					
Project Management Support					
PARD Total	762		1,160		

AL Venture Management	00 AGU		01 PLAN		Notes
	391	211	625	355	
Expense: \$625M of \$11.712M					
Authorized Heads: 38 Regular and 9 Other					

Local Grants	00 AGU		01 PLAN		Notes
	391	211	625	355	
Multiple Dose in Cancer Patients					
University of Texas - Dr. Fidler					
University of Texas - Dr. Fidler					
IND Study					

HIGHLY
CONFIDENTIAL
ABBT 0037557

Total	00 AGU		01 PLAN		Notes
	391	211	625	355	
0-Jan					

44

ONCOLOGY GROUP
MMPI #2 (ABT-518)
2001 PLAN KEY STATISTICS
 (\$000)

Project	2001 Target	2000 AGU	2001 PLAN	PLAN vs Target Fav(Unfav) Var
Matrix Metalloproteinase Inhibitor	7,000	6,000	7,382	(382)

Key Milestones / Assumptions	00 AGU	01 PLAN	Status (on target, pending or delayed to x)
Initiate Phase I Multiple Dose Study	10/00	1/01	Delayed - due to safety related protocol revisions
Pre-IND Meeting	--	2Q/01	On Target
Initiate IND Study	--	8/01	On Target

PARO	00 AGU	01 PLAN	Notes
Analytical Dev & Support	276	546	Clinical Supplies for Phase I trial
Formulation Dev & Support	235	355	
Clinical Finishing	78	58	
Project Management Support	61	74	
PARO Total	648	1,031	

Total Venture Management	00 AGU	01 PLAN	Notes
Expense: \$804M of \$11.712M			
Authorized Heads: 38 Regular and 9 Other			

Clinical Grants	1st Patient Dosed	Last CRF	R/oss 2000 AGU	Start	End	Cost
Phase I						
M00-235	2/01	1/02	10/00	11/00	1/02	880
TBD	8/01	1/02	...	8/01	1/02	400
						375
						768
						350
						(393)
						(350)

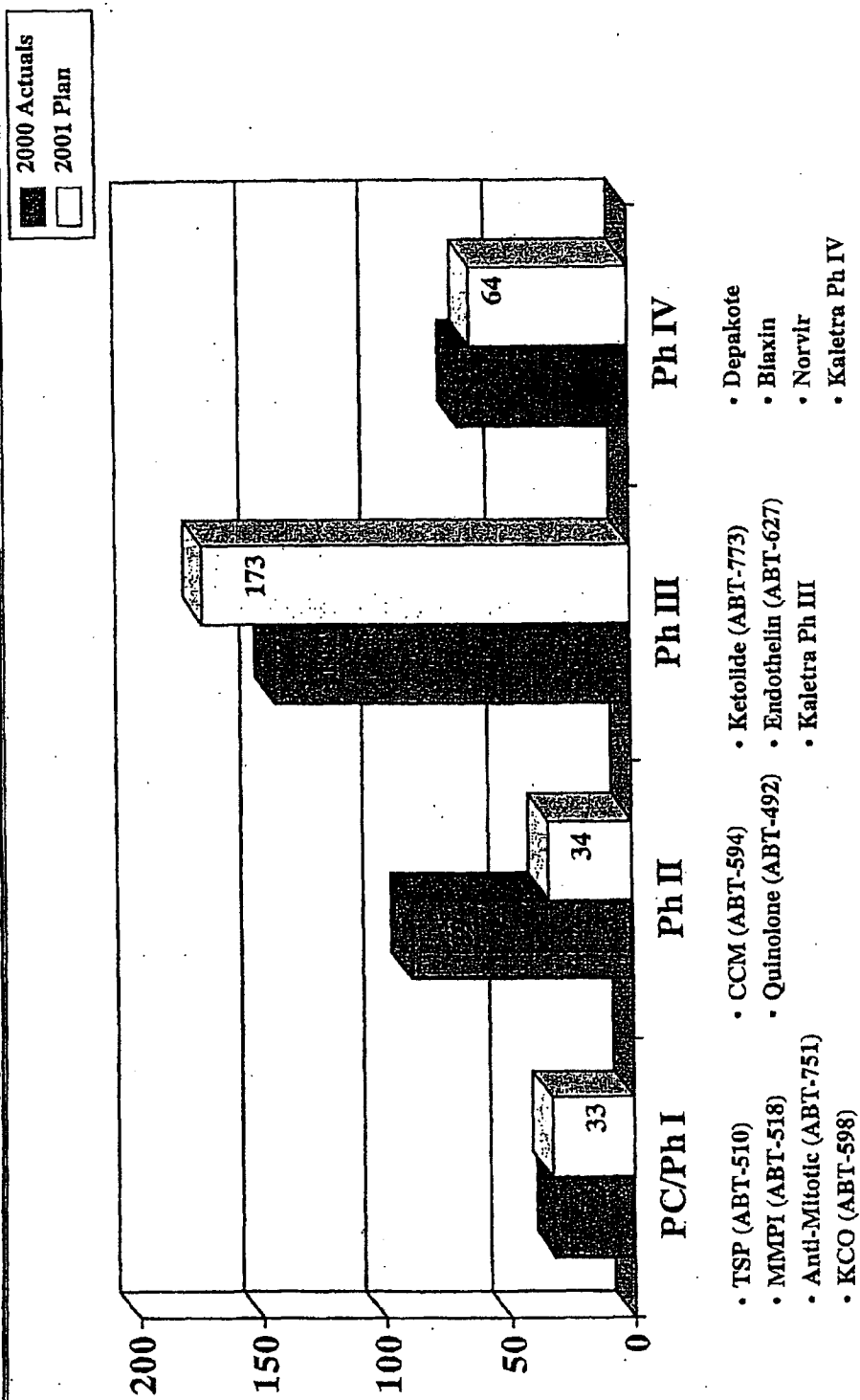
HIGHLY
 CONFIDENTIAL
 ABBT 0037558

Total
 30-Jan

Total
 1,360 375 1,118 (743)

45

R&D Spending by Phase



47

HIGHLY
CONFIDENTIAL
ABBT 0037560

**Global Pharmaceutical Research & Development
Funding by Phase
2001 PLAN**

	2000 Actuals	2001 PLAN
Phase I/Phase I		
COX-II	2.7	1.2
ABT-598 (formerly CHC4)	1.8	0.8
ABT-103	...	...
NPS-1778	7.1	...
Quinolone	2.8	...
Neuraminidase	...	5.0
KCO	7.0	10.0
TSP #1	5.6	7.4
MMP1	3.9	8.4
Anti-Mitotic	1.0	...
K-9	31.7	32.8
Subtotal Phase I		
	88.8	33.8
Phase II		
ABT-594	14.3	9.3
Keicoid	55.9	...
Quinolone	...	24.5
NS-49	1.9	...
Endothelin	16.8	...
Subtotal Phase II		
	88.8	33.8
Phase III		
Keicoid	18.6	88.0
BPH Backup	31.5	2.3
Kalena	80.8	44.2
Cyclosporine	13.5	...
Endothelin	...	38.9
Subtotal Phase III		
	144.4	173.3
Phase IV		
Dapsone	33.6	24.1
Gentit	...	1.4
Hydrocodone	...	4.0
Carbamazepine	23.4	14.8
Chemical	...	4.9
Pandrolate	2.2	1.4
Ribavirin	10.1	4.0
Kalena	...	6.8
Cyclosporine	...	2.5
Subtotal Phase IV		
	89.3	64.0
Other		
Discovery	180.6	192.0
Global Other	34.4	88.1
Subtotal Other		
	215.0	280.1
Affordability		
	...	(8.8)

*Excluding Sister Divisions

Global Pharmaceutical Research & Development

HIGHLY
CONFIDENTIAL
ABBT 0037561

Target Detail/ Book Pages to PPD

HIGHLY
CONFIDENTIAL
ABBT 0037562

2001 PLAN
Global Pharmaceutical Research & Development
R&D/Medical Expenses Summary
(\$000)

	2000 Actual	2000 AGU	2001 PLAN	2001 PLAN Fav/(Unfav) vs 2000 AGU	Memo: Global R&D
Discovery	190,618	184,750	192,000	(7,250)	192,000
Global Development	313,302	318,985	328,307	(9,742) (A)	328,307
Domestic Development	55,441	55,183	51,729	3,454	
Gross PPD	559,361	558,498	572,036	(13,538)	520,307
TAP and Sister Division	65,275	67,809	57,348	10,461	
Total Gross Expense	624,636	626,307	629,384	(3,077)	
Net PPD	375,593	374,730	385,367	(10,637)	208,124
Expense by Classification:					
Salaries/Fringe/Contract	204,133	207,042	222,483	(15,441)	
Travel/Meetings	8,452	7,800	8,327	(527)	
Other Employee Related	9,274	8,999	9,901	(902)	
MIS	5,074	5,074	5,074	...	
Corp Allocation	21,868	21,884	22,924	(1,030)	
Other	375,834	379,140	370,439	8,701 (A)	
Affordability	...	(3,642)	(9,764)	6,122	
Total Expense	624,636	626,307	629,384	(3,077)	

Commentary:

(A) Primarily due to increased support for Quinolone, Katolide and Endothelin.

L:\GROUP\PLANNING\2001 PLAN\Exec Summary R&DExpense Summary, Page R1.123

HIGHLY
CONFIDENTIAL
ABBT 0037563

**2001 PLAN (FINAL)
PHARMACEUTICAL PRODUCTS RESEARCH & DEVELOPMENT
GLOBAL/DOCKESTIC SPLIT
(\$MM)**

Actuals through 2000	2000 AGU	2001 PLAN	PLAN vs AGU
GROSS PPD	GROSS PPD	GROSS PPD	GROSS PPD
FRANCHISES			
NEUROLOGY			
Depakote	179.9	179.9	6.3
Gabril	136.5	122.9	0.8
AST-584 (formerly CCM)	92.2	37.3	8.1
COX-II	2.7	1.8	2.8
AST-089 (formerly CHCM)	1.5	1.0	2.4
ABG-103	...	...	...
NPS-1776	...	...	...
RP Scherer / Alza (Hydrocodone)	...	...	...
Subtotal NEUROLOGY	382.8	342.7	13.2
ANTI-INFECTIVE			
Clarithromycin	393.8	238.3	11.5
Kelobide	153.8	92.3	13.9
Kelobide Test	...	...	...
Quinolone	11.8	7.0	17.7
Neuraminidase	...	...	...
Omnicor	...	...	...
Subtotal ANTI INFECTIVE	559.2	337.6	29.8
UROLOGY/CARDIOLOGY			
BPH Backup	85.7	61.4	31.7
Endosteal (Fournier)	14.1	14.1	...
Nippon Shinyaku (NS-48)	12.3	7.4	2.7
Kidney	...	...	...
Subtotal UROLOGY/CARDIOLOGY	112.1	72.9	38.0
HIV			
Ritonavir	298.3	178.6	8.0
Kaletra	215.7	128.4	23.6
Cyclosporine	81.0	36.8	8.2
Subtotal HIV	595.0	343.8	43.7
CANCER			
Endostatin	98.4	57.8	25.8
TSP #1	11.0	6.6	...
Metastatin	5.8	3.4	...
Anti-Metast	3.8	2.3	...
K-3	1.0	0.8	...
FTI #2	...	...	...
Subtotal CANCER	117.8	70.7	33.0
Other New Products			
Other	n/a	n/a	...
Afterability	n/a	n/a	...
Total Development	n/a	n/a	8.3
Discovery	n/a	n/a	7.3
Total Gross/Net PPD	n/a	n/a	13.3

Comments:

- (A) Funding assumes No Go decision at 20 2001 decision point
(B) BPH Backup project was killed 1000 and reflects shut down expenses in 2001
(C) Reflects higher costs associated with Phase III
(D) Reflects higher costs associated with Phase II
(E) Decrease reflects year 2000 launch

HIGHLY
CONFIDENTIAL
ABBT 0037564

51

**PHARMACEUTICAL PRODUCTS RESEARCH & DEVELOPMENT
GLOBAL ALI SPLIT
(SMILLIONS)**

	2008 PLAN		2009 PLAN	
	Global	Domestic	Global	Domestic
NEUROLOGY				
Diphenhydramine	0.2	32.7		24.1
Chlorzoxazone	15.0	1.5		1.4
ABT-594 (formally CCM)				9.2
Con-12				1.2
ABT-089 (formally CHCH)				0.6
ABT-101				
ABT-178				
ABT-Solvent / Alum (Hydrocodone)				
ANTI-INFECTION	15.3	34.3	11.1	28.3
ANTHROPOMORPHIC				
Cladribine	37.0		14.9	
Enoxacin	71.2		81.0	
Quinolone	14.0		24.5	
Neuraminidase	5.8			
Omeprazole	118.1		137.4	4.5
UROLOGY/CARDIOLOGY				
SPH Backup	38.0		2.3	
Ticagrelor (formally)	5.3	2.0		1.4
Phosphodiesterase (PDE-4)	5.3	5.3		
KCS	40.2	7.2	5.0	1.4
HTV				
Maraviroc	12.0		4.0	
Kaletra	74.8		91.8	
Cyclosporin	7.9	4.1	2.5	
CHANCER	93.5	4.1	57.3	
Acetaminophen	6.0		38.8	
Acetaminophen (APAP)	5.0		7.4	
Formylphenazone (FTB) #1	2.8			
TSP #1	2.0		16.8	
TSP #2	1.0			
Anti-Mitotic	5.0		8.4	
K3	25.8		44.8	
Other New Products	7.2			
Other	52.5	16.1	68.9	17.2
Total Development	357.8	41.6	336.8	63.7
Discovery	185.0		192.0	
Total PPD (Without Risk)	542.8	41.6	528.8	63.7
Risk/Transferability	(45.7)	(5.3)	(8.5)	(1.3)
Total PPD (With Risk)	497.1	36.3	520.3	62.4
AI Split as Calculated @ 40%	198.1		208.1	
AI Split per IDV	133.8		186.7	
Under/Over Change	15.0		21.6	

Book II IDV was \$198,670
Per ABT McGraw AL split per \$12,000 fee
\$198,670 - \$12,000 = \$186,670
208,120 - \$186,670 = \$21,450 AL Undercharge

Let's call this a credit (cash) - it's not a cash flow

8/1/05

4/1/07

HIGHLY
CONFIDENTIAL
ABT 0037565

PHARMACEUTICAL PRODUCTS RESEARCH & DEVELOPMENT

	Corporate Submission	Final 2001 PLAN	Final vs. Corp Sub Incl(Dec)
NEUROSCIENCE			
Depakote	28.0	24.1	(1.9)
Gablin	...	1.4	1.4
ABT-564	8.8	8.3	0.4
COX - II	3.0	1.2	(1.8)
ABT-089	7.0	0.8	(6.4)
ABT-103	3.3	...	(3.3)
NPS-1778	3.7	...	(3.7)
RP Scherer / Alza	4.0	4.0	...
Subtotal NEUROLOGY	88.8	40.8	(18.3)
ANTI-INFECTION			
Clarithromycin	20.0	14.9	(5.1)
Keicilde	91.0	88.0	(3.0)
Quinolone	25.0	24.5	(0.5)
Neuraminidase	...	...	...
Ornibicef	5.0	4.9	(0.1)
Subtotal ANTI INFECTION	141.0	132.3	(8.7)
UROLOGY/CARDIOLOGY			
BPH Backup	28.4	2.3	(23.1)
Ferofibrate (Fournier)	4.0	1.4	(2.6)
Nippon Shinyaku (NS49)	...	...	...
KCO	8.0	8.0	(1.0)
Subtotal UROLOGY/CARDIOLOGY	35.4	8.7	(26.7)
HIV			
Ritonavir	4.0	4.0	...
Keizine	41.5	51.0	9.5
Cyclosporine	2.0	2.5	0.5
Subtotal HIV	47.5	57.5	10.0
CANCER			
Endothelin	23.0	38.8	15.8
TSP #1	9.0	10.0	1.0
Metoprololase	7.0	7.4	0.4
Ani-Mitotic	10.0	8.4	(1.6)
K-6	8.8	...	(8.8)
FTI #2	4.1	...	(4.1)
Subtotal CANCER	61.9	64.6	2.7
Other New Products			
Other	78.5	86.1	7.6
Affordability	(25.1)	(9.8)	15.3
Total Development	395.1	380.0	(15.1)
Discovery	197.0	192.0	(5.0)
Total Gross PPD	592.1	572.0	(20.1)
TAP & Slater Division	89.2	87.4	(1.8)
Total Gross	681.3	659.4	(21.9)

Lundbeck/Novartis/Chugai/Boehringer/Abbott/US/UK/Other/Global

HIGHLY
CONFIDENTIAL
ABBT 0037566

52

53

PRELIMINARY
Pharmaceutical Research & Development
Expense Breakdown
2001 PLAN

XX Given to McKusky
CONSULTING ON 2/12/2001 XX

Needs to Be
Reviewed By Management

BRANCHES	Strategic/ Mandatory R&D Program	Grants	SPD Direct Costs	Other Variable Costs*	Other Fixed Costs*	2001 PLAN Targets	Potential Expense Savings*	Strategic/ Mandatory R&D Expense	Total Expense Savings
NEUROLOGY									
Depakote	Yes	9.4	...	7.3	7.4	24.1	18.7	(16.7)	...
Gabril	Yes	...	...	0.7	0.7	1.4	0.7	(0.7)	...
ABT-884 (formerly CCM)	Yes	1.1	...	4.1	4.1	9.2	5.2	(5.2)	...
COX-II	Yes	0.1	...	0.5	0.5	1.2	0.6	(0.6)	...
ABT-089 (formerly CHCM)	Yes	...	...	0.3	0.3	0.6	0.3	(0.3)	...
ABS-103	No	...	...	...	...	...	...	...	...
NPS-1778	No	...	...	...	...	...	...	...	...
RP Scherer / Alze (Hydrocodone)	Yes	10.8	...	2.0	2.0	4.0	2.0	(2.0)	...
Subtotal NEUROLOGY				14.9	15.1	40.6	28.6	(25.6)	...
ANTINEUTROPHILIC									
Clarithromycin	Yes	2.9	4.0	4.0	4.0	14.9	10.9	(10.9)	...
Ketide	No	47.4	9.4	16.8	16.8	88.0	72.4	...	72.4
Quinidine	Yes	5.0	2.4	8.8	8.8	24.5	15.9	(15.9)	...
Neuramidase	No	...	...	...	...	...	...	...	...
Ornidazole	No	3.0	...	0.9	1.0	4.9	3.9	...	3.9
Subtotal ANTI INFECTION		68.3	18.6	29.0	39.3	132.3	103.1	(28.8)	76.3
UROLOGY/CARDIOLOGY									
BPA Rectus	Yes	...	...	1.1	1.2	2.3	1.1	(1.1)	...
Fenofibrate (Fenofen)	Yes	...	...	0.7	0.7	1.4	0.7	(0.7)	...
Nippon Shinyaku (NS40)	No	...	...	...	...	...	...	...	...
KCO	No	0.4	...	2.3	2.3	5.0	2.7	...	2.7
Subtotal UROLOGY/CARDIOLOGY		0.4	...	4.1	4.3	8.7	4.8	(1.3)	2.7
HIV									
Rilovir	Yes	1.2	...	1.4	1.4	4.0	2.8	(2.8)	...
Kidex	Yes	22.6	...	14.2	14.2	81.0	36.8	(36.8)	...
Cyclosporine	Yes	1.0	...	0.7	0.8	2.5	1.7	(1.7)	...
Subtotal HIV		24.8	...	16.3	16.4	87.6	41.1	(41.1)	...
CANCER									
Endothelin	Yes	19.3	0.2	9.8	9.7	39.8	28.1	(28.1)	...
TSP #1	No	1.8	...	4.2	4.2	10.0	5.8	...	5.8
Metalloproteinase	No	...	...	3.1	3.2	7.4	4.2	...	4.2
Anti-Mitotic	No	1.1	0.3	3.5	3.5	8.4	4.9	...	4.9
K-5	No	...	...	...	...	...	...	...	...
FTI #2	No	...	...	...	...	...	...	...	...
Subtotal CANCER		23.1	0.5	20.4	20.3	64.8	44.0	(39.1)	14.9
Other New Products	No	...	...	...	...	...	...	...	...
Other	Yes	0.6	0.6	42.3	42.4	86.1	43.7	(43.7)	...
Affordability	Yes	...	...	(4.9)	(4.9)	(9.8)	(4.9)	4.9	...
Total Development		118.0	16.9	123.1	123.0	380.0	257.0	(163.1)	93.9
Discovery	Yes	...	0.4	95.8	95.8	192.0	98.2	(98.2)	...
Total Gross PPD		118.0	17.3	217.9	216.8	672.0	355.2	(288.3)	93.9

* Calculated using the rationale that 80% of remaining costs could be cut via headcount reductions, PPD material reductions, lab supplies, etc.
** Includes all costs that are considered variable (Grants, SPD Direct Costs, and Other Variable Costs).

HIGHLY
CONFIDENTIAL
ABBT 0037567

Pharmaceutical Products Division - R&D
Summary of R&D Projects
2001 PLAN

Project/Description	Cost thru 2000	2000 Actual	2001 PLAN	Cost until NDA 2003 and forward
Depakote Development programs to enhance the Depakote/Depacon product position in the treatment of epilepsy, prevention of migraine headaches and the treatment of manic episodes associated with bipolar disorder. This includes a new extended release formulation in each of these treatment areas and studies to expand the market for treating impulsive aggression, psychosis, elderly agitation, a comparator study with Lilly's anti-psychotic drug, Zyprexa, and bipolar and manic depressive mania. Additionally, the Depacon Rapid Infusion Study will assess the safety of rapidly loading Depacon in patients with Epilepsy. Two new formulations are being developed - 250 mg ER tablet and DR Spinning Disk.	\$179.9	\$33.6	\$24.1	N/A
ABT-594 [Milestone: Go/No Go Clinical Efficacy, 2Q01, NDA Date: 2Q03] ABT-594 is a non-opioid, non-NSAID analgesic that is a potent and selective neuronal nicotinic receptor modulator. It is effective across all pain endpoints: nociceptive pain and neuropathic pain. Preclinical data shows ABT-594 to be 30 to 100 times more potent and equally efficacious to morphine in treating moderate to severe pain. In several well characterized animal models of nociceptive pain, ABT-594 has a unique mechanism of action which may encourage use in combination with other analgesics as well as nonpharmacologic. Indicated for the management of neuropathic pain associated with diabetic polyneuropathy. Indication or publication for specific chronic nociceptive and/or neuropathic pain condition (e.g., OA). Oral formulation requested. Dosing schedule to be determined.	\$62.2	\$14.3	\$9.3	\$71.0
ABT-089 [Milestone: Transition Team Go/No Go, 4Q01] ABT-089 is a potent and selective neuronal nicotinic receptor modulator with cognition enhancing activity in rodent and primate preclinical models of cognitive dysfunction. It does not appear to have nicotine like dependence liability or abuse. ABT-089 may be the second non-sedated, non-stimulant product for the ADHD market. Oral formulation and QD dosing expected.	\$1.6	\$1.6	\$0.6	\$102.3
Clarithromycin The NDA for clarithromycin extended release (Biaxin XL) was approved March 3, 2000. New studies planned for the U.S. include Asthma and Cystic Fibrosis. International Projects for 2001 include OD XL registration studies and the Japan 400mg tablet.	\$393.8	\$23.3	\$14.9	N/A
Ketolide (ABT-773) [Milestone: Phase III CAP/AMS dose range data 2Q01, Tablet NDA 3Q02] ABT-773 is a potent ketolide with strong activity against most macrolide resistant strains while also maintaining the broad spectrum coverage of clarithromycin. Product will be available as tablet followed by a pediatric suspension and injectable form dependent on timing of funding. ABT-773 will address the major unmet medical need of increasing resistance to current empiric agents and weak activity against key problem pathogens, especially S. pneumoniae. Maintains clear claim of "Span the spectrum" (G+, G-, atypical). Cover key OI resistant strains (S. pneumoniae, S. pyogenes). Tablet dosing will be QD or BID based on severity of indications. Five days for ABECB, Pharyngitis, 10 days for AMS and CAP. COQ8 no more than \$2,500/kg at launch. Pediatric and IV currently not funded.	\$153.8 (Tab)	\$74.5 (Tab)	\$88.0 (Tab)	\$42.0 (Tab US/EU)
Quinolone (ABT-492) [Milestone: Go/No Go PK/Safety (Phase Ia) 2Q01, NDA Date: 4Q04] ABT-492 is a broad-spectrum anti-infective agent with potential application across a range of indications, including respiratory infections, genitourinary infections, and skin/soft tissue infections. Product will initially be available as a tablet/capsule followed by an injectable form approximately one year later. The in vivo antibacterial activity of ABT-492 appears to be more potent than levofloxacin. The in vivo potency data suggests that ABT-492 has the potential to be therapeutically effective at doses comparable to trovafloxacin. Must have a safety profile comparable to levofloxacin. QD dosing for adult tablet/capsule and IV. Five days for most indications.	\$111.6	\$7.1	\$24.5	\$227.6 (Tab)
Omnicef [Milestone: Initiate Clinical Studies Q301, SNDA Q402] Cefdinir (Omnicef) is a potent cephalosporin indicated for the full range of respiratory tract and skin infections, and has 5 day BID indications for AOM, pharyngitis, and AECB. The suspension is pleasant tasting, significantly better than Cefadil and Augmentin in 2 studies, and better than Zithromax in 1 of 2 studies. A new study will pursue claims for 5 day, once daily dosing in AOM, and generic comparative data vs. Zithromax with both once daily and twice daily dosing. A second study is planned for AECB and is currently Blue Plan. Comparator agents are under evaluation. The NDA would be filed Dec 2002.	\$0.0	\$0.0	\$4.9	N/A
Benign Prostatic Hyperplasia Back-up (ABT-980) [Program terminated 10/00] ABT-980 is a potent (pK _i 6.5) selective adrenoceptor antagonist with 130-fold selectivity for (α ₁) versus (α ₂) receptor in the medical treatment of benign prostatic hyperplasia. Indicated for the relief of symptomatic benign prostatic hyperplasia. ABT-980 program had to be terminated in 10/00 due to the development of serum transaminase abnormalities in patients.	\$83.7	\$31.5	\$2.3	\$0.0

HIGHLY
CONFIDENTIAL
ABBT 0037568

54

**Pharmaceutical Products Division - R&D
Summary of R&D Projects
2001 PLAN**

Project/Description	Cost thru 2000	2000 Actual	2001 PLAN	Cost until NDA 2001 and Forward
Kaletra ABT-378 is a second generation protease inhibitor which will be reformulated in one capsule/tablet with ritonavir. It is potent against purified HIV proteases with a Ki of 1pm. Phase I studies indicate that ABT-378 is safe and well tolerated at all doses studied. ABT-378 works only in combination with ritonavir. Ritonavir acts as a potent booster of the PK profile of ABT-378 to achieve higher blood levels than on its own. Indicated as first-line protease inhibitor therapy in adults. Efficacy against resistant virus. Must maintain high plasma and tissue concentrations. Safety, side effect, and toxicity profile at least equal to current standard. Dosing: BID, QD possible. Will be available in one reformulated pill with ritonavir.	\$215.7	\$80.8	\$51.0	N/A
Endothelin (ABT-627) [Milestone: Initiate Phase III Clinicals 1Q01] ABT-627 is Abbott's leading endothelin receptor. ABT-627 is seeking an indication for the treatment of hormone refractory prostate cancer. ABT-627 is orally administered and well tolerated as chronic therapy. It has demonstrated improvement of time to disease progression compared to placebo. It has also demonstrated improvement in time to PSA progression compared to placebo.	\$96.4	\$16.8	\$38.8	\$51.0
TSP HT (ABT-510) [Milestone: Go/No Go Clinical Safety, 2Q01] ABT-510 is a patented thrombospondin mimetic. TSP is an angiogenesis inhibitor that may prevent growth of primary tumors as well as prevent the spread of metastases by inhibiting the growth of solitary vessels required to provide blood to growing tumors. With a relatively benign toxicity profile, this class of agents may be used to prevent metastatic disease in patients who have received surgery, radiation or chemo and/or as primary therapy to treat cancer patients. As chronic, long-term therapy, there is potential for significant commercial opportunity.	\$11.0	\$7.0	\$10.0	\$80.5
Metalloproteinase (MMPs) (ABT-518) [Milestone: Go/No Go Clinical Safety, 4Q01] ABT-518 is an oral, matrix metalloproteinase inhibitor and a cytostatic agent. MMPs may prevent the growth of metastatic lesions and inhibit primary tumor growth. These agents will most likely be used with current therapy or post-definitive therapy such as surgery, radiation and chemotherapy. As chronic, long-term therapy, there is significant commercial upside.	\$5.6	\$3.6	\$7.4	\$86.3
Anti-Mitotic (Eltax) (ABT-751) [Milestone: Go/No Go Clinical Safety, 2Q01] ABT-751 is an oral cytotoxic agent that inhibits tumor growth by inhibiting the polymerization of tubulin into microtubules, a necessary step in cell division. This mechanism of action is somewhat similar to the mechanism of taxanes. This novel agent could produce clinical benefits equal to or superior to current taxanes and could be as commercially successful as current taxanes. ABT-751 also has the potential to be effective in patients experiencing resistance to other agents, including taxanes.	\$3.9	\$3.9	\$8.4	\$78.0
Other Other projects include Cablin, COX-II, ABB-103, NPS-1776, Hydrocodone, Fenofibrate, KCO, Ritonavir, Cyclosporine, CAPD Excess Capacity Charges, and CAPD Clal process improvements.	N/A	\$68.6	\$103.6	N/A
Affordability Leifens Risk	N/A	\$0.0	(\$9.8)	N/A
Discovery Funding provides for five Discovery Development Candidates (DDCs) to be brought forth in 2001. Reflects Discovery costs in Infectious Disease Research, Metabolic Disease Research, Neurological and Urological Disease Research, and Cancer Research. Includes Neurosearch, Kuro Bio, ICAGEN, IDUN, Inveyo and ISIS collaborations.	N/A	\$180.6	\$192.0	N/A
Total Gross PPD	N/A	\$559.4	\$572.0	N/A

HIGHLY
CONFIDENTIAL
ABBT 0037569

Pharmaceutical Products Division R&D
Fish Catching Notionward
Gross Expense

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Reductions													
Other Functional Expenses	(2,954)	(1,823)	(2,053)	(1,849)	(1,849)	(2,119)	(2,168)	(2,176)	(2,161)	(2,048)	(2,057)	(2,243)	(21,486)
BPD Grants	109	106	100	(1,349)	(1,349)	(889)	(1,449)	(1,449)	(1,350)	(1,350)	(1,350)	(1,350)	(11,188)
CCM Grants	(287)	(287)	(287)	(189)	(189)	(189)	(189)	(189)	(189)	(189)	(189)	(189)	(1,890)
Contractual Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
All Other	(2,764)	(2,116)	(2,353)	(2,138)	(2,138)	(2,378)	(2,397)	(2,397)	(2,351)	(2,351)	(2,351)	(2,351)	(21,488)
Total Reductions	(2,954)	(1,823)	(2,053)	(1,849)	(1,849)	(2,119)	(2,168)	(2,176)	(2,161)	(2,048)	(2,057)	(2,243)	(21,486)
Additions													
Other	342	342	342	342	342	342	342	342	342	342	342	342	4,104
BPD Purchases	278	278	278	278	278	278	278	278	278	278	278	278	3,336
Total Additions	620	620	620	620	620	620	620	620	620	620	620	620	7,440
Change in Net Affordability (\$25.1 to \$25.3)													
Adjustment	417	417	417	417	417	417	417	417	417	417	417	417	5,004
Change in Net Affordability (\$25.1 to \$25.3)	417	417	417	417	417	417	417	417	417	417	417	417	5,004
Reductions													
Other Functional Expenses	(2,543)	(2,543)	(2,543)	(2,543)	(2,543)	(2,543)	(2,543)	(2,543)	(2,543)	(2,543)	(2,543)	(2,543)	(30,516)
BPD Grants	(1,889)	(1,889)	(1,889)	(1,889)	(1,889)	(1,889)	(1,889)	(1,889)	(1,889)	(1,889)	(1,889)	(1,889)	(22,617)
CCM Grants	(654)	(654)	(654)	(654)	(654)	(654)	(654)	(654)	(654)	(654)	(654)	(654)	(7,898)
Contractual Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
All Other	(1,889)	(1,889)	(1,889)	(1,889)	(1,889)	(1,889)	(1,889)	(1,889)	(1,889)	(1,889)	(1,889)	(1,889)	(22,617)
Total Reductions	(2,543)	(2,543)	(2,543)	(2,543)	(2,543)	(2,543)	(2,543)	(2,543)	(2,543)	(2,543)	(2,543)	(2,543)	(30,516)
Additions													
Other	315	315	315	315	315	315	315	315	315	315	315	315	3,780
BPD Purchases	23	23	23	23	23	23	23	23	23	23	23	23	276
Total Additions	338	338	338	338	338	338	338	338	338	338	338	338	4,056
Change in Net Affordability (\$25.1 to \$25.3)													
Adjustment	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	15,312
Change in Net Affordability (\$25.1 to \$25.3)	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	15,312

Quarterly Ending

First Plan
% versus 2006 AGU
Second Plan
% versus 2006 AGU
Third Plan
% versus 2006 AGU
Fourth Plan
% versus 2006 AGU

HIGHLY
CONFIDENTIAL
ABBT 0037570

56

Other Miscellaneous Schedules

HIGHLY
CONFIDENTIAL
ABBT 0037571

2001 Project Funding by Phase

Franchise	Pre-Clinical	(\$MM)	Phase I	(\$MM)	Phase II	(\$MM)	Phase III	(\$MM)	Phase IV	(\$MM)	2000 AGU
Neuroscience	COX-II COX-II ABS-103 NFS-1776 ABS-103	1.6 1.2 1.3 3.7 4.0	ABT-089 ABT-089	8.4 0.6	COX-II Neuro COX-II Neuro COX-II Neuro	8.3 16.0 10.1	Hydrocodone	4.0	Depakote: New Depakote: New Incremental Depakote Gabapentin	24.1 2.0 8.0 1.4	33.8
Anti-Infective			Quinolone Tablet Quinolone Tablet	24.5 0.5	Keox Tablet Keox Japan Reg Keox IV Form	88.0 7.0	Omni: Oritav Meds Omni: AECB Omni: Pharyngitis	2.4 2.5 5.0	Clit: T8D Clit: Orycto Fluoride Clit: Aemira Incremental Clit Clit: International	14.9 0.7 2.4 8.0 2.0	102.8
Urology/Cardiology	KCO	5.0					Bimodoni BPH Backup	11.7 2.3	Fenc: Diabetes Fenc: Diabetes	8.7 14.3	37.7
HIV/Immunosclerosis	Gengrat: PREFER Gengrat: Peds PK	1.0 1.0					Ritonavir: Combo 2nd Gen: HIV BID, Oral 2nd Gen: Imp Form 2nd Gen: Post Appl Gengrat: Organ Reg G 2nd Gen: OD Program	4.0 32.0 4.0 2.0 2.5 17.0	2nd Gen: Ph IV Sustiva 2nd Gen: Ph IV Switch Other 2nd Gen	37.5 19.0	101.2
Oncology	MMPI K5 FTI	7.4 8.8 4.1	TSP-1 Anti-Mitotic	10.0 8.4			Endo: Prostate Ca Endo: Breast Ca	37.8 1.0		64.8 29.9	31.8
Other	DDC-1 DDC-2 Discovery DDC-3 DDC-4 DDC-5 DDC-6	5.0 5.0 192.0 5.0 5.0 6.0	Other** In-licensed**	88.1 30.0			Endo: Early Post Endo: Exploratory	11.0 5.0		278.1 60.0	235.0
2001 Affordability		(3.8)								(8.6)	
2001 Total Funded		205.8								572.0	
2001 Total Unfunded		55.7								201.1	
2000 Affordability		(3.6)								(3.6)	
2000 AGU		201.4								558.5	

Legend:
Green: Funded
Red: Unfunded

* All fixed costs in "other" arbitrarily placed in phase 1.
** In-licensed compounds may vary in both franchise and phase.

HIGHLY
CONFIDENTIAL
ABBT 0037573

**Pharmaceutical Products Research & Development
R&D/Medical Expenses Summary
(\$000)**

	1998 ACTUAL	1999 ACTUAL	2000 PLAN	2000 APU	2000 AGU	2001 PLAN
Global Discovery	162,565	170,792	185,000	185,000	184,750	192,000
Global Development	263,041	248,486	312,128	327,300	318,566	328,307
Subtotal Global	425,606	419,278	497,128	512,300	503,315	620,307
% growth vs. prior year		-5.5%	25.6%	4.9%	-2.7%	3.1%
A.I. \$ share	170,242	165,911	183,768	183,768	183,768	186,670
A.I. % share	40.0%	39.6%	37.0%	35.9%	36.5%	35.9%
A.I. % share growth		-2.5%	10.8%			1.6%
PPD \$ share	255,364	253,367	313,358	328,532	319,547	333,637
PPD % share	60.0%	60.4%	63.0%	64.1%	63.5%	64.1%
PPD % share growth		-0.8%	23.7%			6.5%
Domestic Development	66,861	63,876	56,290	55,183	55,183	51,729
Gross PPD	492,467	483,154	553,416	567,483	558,498	572,036
TAP and Sister Division	58,700	58,301	52,694	65,459	67,809	57,348
Total Gross Expense	551,167	541,455	606,110	632,942	626,307	629,384
Net PPD	322,225	315,443	369,648	383,615	374,730	385,367

L:\GROUP\Mktg\Comms\A.I. tracking_123

HIGHLY
CONFIDENTIAL
ABBT 0037574

Detail of "Other"
2001 PLAN

	Oracle			Adjustments			2001 PLAN			2000 AGU			Variance (Fav/Unfav)
	Global	Domestic	Total	Global	Domestic	Total	Global	Domestic	Total	Global	Domestic	Total	
Non-Promoted R&D													
Altemus Oncology	118	--	118	--	--	--	118	--	118	2,003	--	2,003	1,885
In Licensing	403	--	403	--	--	--	403	--	403	1,791	--	1,791	1,388
Exploratory Effort	408	--	408	--	--	--	408	--	408	825	--	825	457
Purification for Growth	123	--	123	--	--	--	123	--	123	927	--	927	804
Simulated	57	--	57	--	--	--	57	--	57	--	--	--	(73)
AS-49 ASBT22	57	--	57	--	--	--	57	--	57	--	--	--	(57)
Altemus & Reimbursement Pre-UK	--	38	38	--	--	--	--	38	38	--	--	--	(38)
Molecular Probe	--	--	--	7	--	7	7	--	7	7	--	7	--
Drug User Fees	--	--	--	--	1,207	1,207	--	1,207	1,207	--	1,851	1,851	744
Filed to Operations	--	--	--	--	--	--	--	--	--	--	209	209	--
Drug & Patents not in Asset	--	--	--	2,188	--	2,188	2,188	--	2,188	2,339	--	2,339	(867)
Inventory Transfer ASBT 378	--	--	--	--	--	--	--	--	--	(5,738)	--	(5,738)	(5,738)
Clinical Supplies (Operational)	--	--	--	200	--	200	200	--	200	200	--	200	--
Consulting	--	--	--	--	--	--	--	--	--	2,440	--	2,440	2,440
ISG/Other	--	--	--	--	--	--	--	--	--	1,500	--	1,500	1,500
IT Productivity Projects	--	--	--	--	--	--	--	--	--	--	--	--	--
Kodak/WHO/Other	--	--	--	--	--	--	--	--	--	1,000	--	1,000	1,000
General #1	--	--	--	--	--	--	--	--	--	500	--	500	500
General #2	--	--	--	--	--	--	--	--	--	--	--	--	--
Consulting	--	--	--	--	--	--	--	--	--	--	--	--	--
CI charge from Ops (Cln Val Mgr)	--	--	--	--	--	--	--	--	--	171	--	171	171
SPD IDV - Licensure	--	--	--	--	--	--	--	--	--	807	--	807	807
Angie Insurance	--	--	--	--	--	--	--	--	--	852	--	852	852
Data Management Absorption	--	--	--	--	--	--	--	--	--	1,078	--	1,078	1,078
Other New Products	--	--	--	--	--	--	--	--	--	2,850	--	2,850	2,850
AI Marquise	--	--	--	--	--	--	--	--	--	148	--	148	148
	1,232	34	1,270	3,373	1,207	4,580	4,405	1,245	5,650	13,412	2,181	15,593	9,713
Non-Promoted Products													
Chol	--	2,480	2,480	--	--	--	--	2,480	2,480	--	2,480	2,480	--
HAIC	--	2,568	2,568	--	--	--	--	2,568	2,568	--	2,568	2,568	--
New Candidates	--	--	--	--	--	--	--	--	--	--	--	--	(1,718)
All Other (Detail Below)	83	8,072	8,155	--	--	--	83	8,072	8,155	1,882	10,291	12,173	4,117
	83	12,121	12,204	--	--	--	83	12,121	12,204	1,592	14,029	16,621	2,407
SPD Mktg													
Outsourcing	--	--	--	--	--	--	--	--	--	652	--	652	652
Purchasing Above/Other	--	--	--	--	--	--	--	--	--	--	--	--	--
Hazards Lab	--	--	--	--	--	--	--	--	--	652	--	652	652
	--	--	--	--	--	--	--	--	--	652	--	652	652
SPD Process													
Unit of Activity Charge	23	--	23	--	--	--	23	--	23	28	--	28	8
SV A for Chl Improv	--	369	369	--	--	--	--	369	369	638	--	638	270
Chl Process Improv	1,973	--	1,973	--	--	--	1,973	--	1,973	2,507	--	2,507	304
IQG	--	--	--	--	--	--	--	--	--	--	--	--	--
New Project Support	7,152	--	7,152	--	--	--	7,152	--	7,152	--	--	--	(7,152)
Chol - Delivery	--	--	--	--	--	--	--	--	--	--	--	--	--
Discovery Patents & Trademarks	370	--	370	--	--	--	370	--	370	--	--	--	(370)
Fixed Cost to SPD (PARD)	--	--	--	--	--	--	--	--	--	--	--	--	--
Programs 2nd Gen (Mg Chg)	--	--	--	--	--	--	--	--	--	1,728	--	1,728	1,728
Chl IV	4,297	--	4,297	--	--	--	4,297	--	4,297	4,700	--	4,700	403
IQG - Fixed MCPP	--	--	--	--	--	--	--	--	--	--	--	--	--
Angiogenesis - Fixed MCPP	--	--	--	--	--	--	--	--	--	--	--	--	--
Monoclonals Acq/Contract	--	--	--	--	--	--	--	--	--	151	--	151	151
	12,818	369	14,184	--	--	--	12,818	369	14,184	13,112	638	13,751	(433)
Express Capacity - SPD													
PPD R&D Key Control	11,810	--	11,810	--	--	--	11,810	--	11,810	8,180	--	8,180	(2,450)
PPD R&D Suspense	--	--	--	--	--	--	--	--	--	--	--	--	--
Corp Key Control	--	--	--	--	--	--	--	--	--	--	--	--	--
Mtg Suspense	11,810	--	11,810	--	--	--	11,810	--	11,810	8,180	--	8,180	(2,450)
Express Capacity - PPD													
Discovery	--	--	--	--	--	--	--	--	--	357	25	357	357
Drug Safety	--	--	--	--	--	--	--	--	--	834	--	834	834
Development Ops	--	--	--	--	--	--	--	--	--	35	--	35	35
Venous Management (Thrombus)	--	--	--	--	--	--	--	--	--	--	--	--	--
Venous Mgmt	--	--	--	--	--	--	--	--	--	1,162	--	1,162	1,162
PARD	--	--	--	--	--	--	--	--	--	59	--	59	59
Data Management (Sale overlaid)	--	--	--	--	--	--	--	--	--	2,000	--	2,000	2,000
	--	--	--	--	--	--	--	--	--	3,201	1,248	4,447	4,447
Other Monoclonals Credits													
CRO Refunds	--	--	--	(2,000)	--	(2,000)	(2,000)	--	(2,000)	--	--	--	2,000
Newe Backwash	--	--	--	--	--	--	--	--	--	(1,600)	--	(1,600)	(1,600)
FLAP/Youngand	--	--	--	--	--	--	--	--	--	(818)	--	(818)	(818)
Tranche Payments	--	--	--	--	--	--	--	--	--	2,814	--	2,814	2,814
Biogen (Cytosporine)	--	--	--	--	--	--	--	--	--	2,400	--	2,400	2,400
Metabostat	--	--	--	--	--	--	--	--	--	(868)	--	(868)	(868)
	--	--	--	--	--	--	--	--	--	--	--	--	--
Subtotal OTHER	28,798	11,528	40,326	373	1,207	3,580	32,123	14,726	46,849	41,637	18,085	59,722	18,344
Adjustment/Unallocated	--	--	--	--	--	--	41,777	3,485	45,262	2,220	--	3,220	(11,942)
TOTAL OTHER	--	--	--	--	--	--	85,900	17,220	103,111	43,857	18,085	62,942	(73,598)
* Should be equal													
Blue Text = Inputs													
All Other													
Hypis	86	273	341	--	--	--	86	273	341	82	273	357	18
Macrolide ASBT79	--	--	--	--	--	--	--	--	--	25	--	25	25
Protein Macrolide ASBT29	--	--	--	--	--	--	--	--	--	18	--	18	18
IQG ASBT08	5	--	5	--	--	--	5	--	5	97	--	97	92
Yasuno ASBT21	--	--	--	--	--	--	--	--	--	14	--	14	14
FLAP ASBT06	22	--	22	--	--	--	22	--	22	114	--	114	92
Macrolide ASBT22	--	--	--	--	--	--	--	--	--	1,242	--	1,242	1,242
Discovery	--	--	--	--	--	--	--	--	--	--	--	--	--
BIAT	--	--	--	--	--	--	--	--	--	--	--	--	--
HAART Metabolic Complications	--	--	--	--	--	--	--	--	--	--	--	--	--
Mic	--	--	--	--	--	--	--	--	--	80	--	80	80
Fenofibrate (Vascular)	--	--	--	--	--	--	--	--	--	8,279	--	8,278	80
Compliance Initiative	--	8,097	8,097	--	--	--	8,097	8,097	--	--	--	--	2,248
Pharmacogenetics	--	1,701	1,701	--	--	--	--	1,701	1,701	--	6,041	6,041	2,248
Total All Other	83	8,072	8,155	--	--	--	83	8,072	8,155	1,882	10,291	12,173	4,117

U.S. DEPARTMENT OF JUSTICE, FEDERAL BUREAU OF INVESTIGATION, WASHINGTON, D.C. 20535

HIGHLY
CONFIDENTIAL
ABBT 0037575

62

2001 PLAN Rollforward

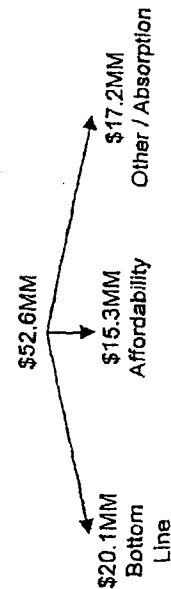
	Bottom Line	Other	Affordability
Book II	592.1	71.5	(25.1)
Re-prioritization	0	9.4 A	(2.6) B
Subtotal	592.1	80.9	(27.7)
Task Exercise	20.1	5.2 C	17.9 D
Final Plan	572.0	86.1	(9.8)

A Added \$12MM in grants and cut \$18.8MM in other. Projects cut (\$6.8MM) and functionals added \$2.6MM. This means absorption went up \$9.4MM.

B Functional impact was up \$12MM in grants and down (\$18.8MM / 2) = (\$9.4MM) in functionals \$12MM - \$9.4MM = \$2.6MM

C Projects cut \$55.0MM which translated into functional cuts of \$40.3MM. \$55.0MM - \$40.3MM = \$14.7MM of unabsorption. In addition to the unabsorption, relief was given by Commercial for Gabtril/Corp. Alloc for \$1.6MM, the Cyclosporine deal with SPD was terminated for an \$0.4MM, FTI #2 switch to KCO for (\$0.4MM), a change in the CMIS IDV for (\$0.4MM), elimination of Ketolide task 7.0MM, elimination of International Clari. charges for \$3.9MM, absorption changes of (\$13.1MM) and a change in affordability of (\$8.5MM).

D Of the \$40.3MM in functional cuts, we took \$20.1MM to the bottom line, therefore \$17.9MM went to reduce affordability



HIGHLY

CONFIDENTIAL
ABBT 0037576

Task Backup/ Rollforwards

HIGHLY
CONFIDENTIAL
ABBT 0037577

2001 Plan Task Exercise
Pharmaceutical Products Division
Research and Development
(\$MM)

Project Name	Project \$MM			Functional \$MM		
	Grants	Other	Total	Grants	Other	Total
- ABS/NPS	-	7.0	7.0	-	3.5	3.5
- Katolide	-	5.0	5.0	-	2.5	2.5
- BPH	6.4	19.0	25.4	6.4	9.5	15.9
- Kaletra	(7.8)	(1.6)	(9.4)	(7.8)	(0.8)	(8.6)
- Endothelin	(10.6)	(5.6)	(16.2)	(10.6)	(2.8)	(13.4)
- KCO	0.5	5.5	6.0	0.5	2.8	3.3
- Depakote New Formulations	-	1.9	1.9	-	1.0	1.0
- K5	-	8.8	8.8	-	4.4	4.4
- Cox II	-	3.0	3.0	-	1.5	1.5
- Clarithromycin: Cystic Fibrosis Asthma International	0.7 2.4 2.0	- - -	0.7 2.4 2.0	0.7 2.4 2.0	- - -	0.7 2.4 2.0
- Tricor - Diabetics	-	4.0	4.0	-	2.0	2.0
- ChCM	1.6	5.4	7.0	1.6	2.7	4.3
- Discovery	-	5.0	5.0	-	5.0	5.0
- IM&T	-	-	-	-	1.0	1.0
- Project Expense	-	-	-	-	1.0	1.0
Total Task	(4.8)	57.4	52.6	(4.8)	33.2	28.4

L:\GROUP\Public Content\2001 Task Exercise

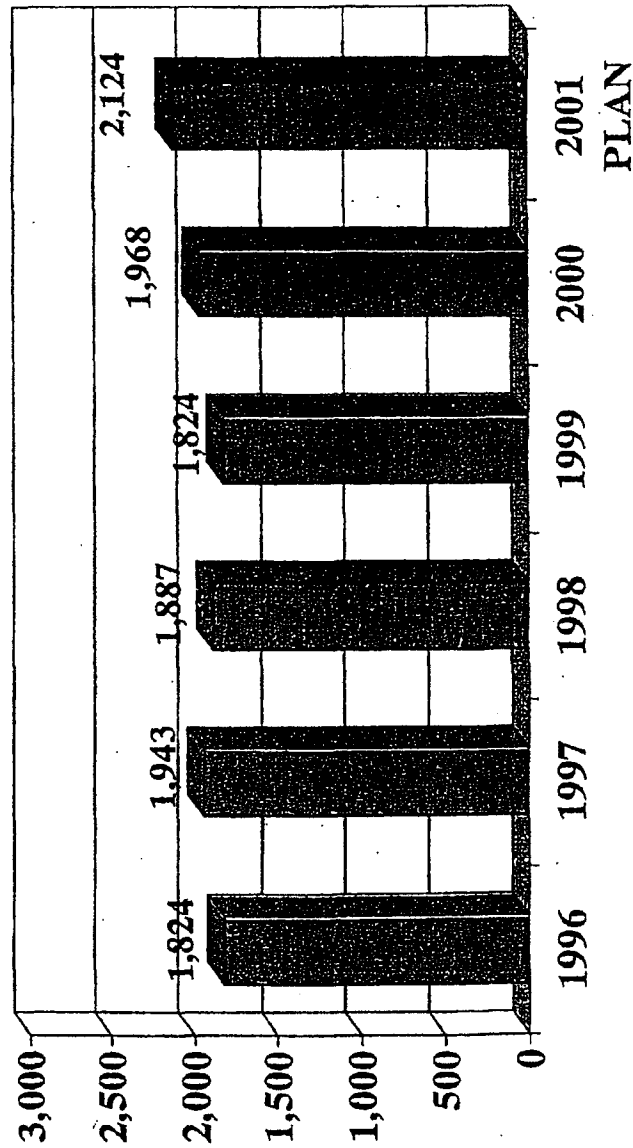
HIGHLY
CONFIDENTIAL
ABBT 0037578

62

Headcount

HIGHLY
CONFIDENTIAL
ABBT 0037579

R&D Regular Headcount 1996-2001



HIGHLY

CONFIDENTIAL
ABBT 0037580

**2001 PLAN
Final PLAN vs AGU
YEAR END HEADCOUNT ANALYSIS**

**2001 PLAN
FINAL HEADCOUNT**

	Book II AGU	Final (Oracle) AGU	Book I PLAN	Book II PLAN	Final (ORACLE) PLAN	Incr / (Decr) Final PLAN vs. Final AGU	Commentary
MSI							
Net	290	292	284	254	257	(35)	+26 Regular, -4 Temp, -70 SdPro
Gross	290	298	284	264	257	(41)	
VENTURES							
Cardiovascular & Diabetes							
Net	0	0	0	0	0	0	
Gross	0	0	0	0	0	0	
Macrolide							
Net	41	41	48	48	42	1	+1 SdPro
Gross	41	41	48	48	42	1	
Anti-Viral							
Net	61	48	61	61	55	7	+7 Regular
Gross	65	55	65	65	57	2	
Antiparasitic							
Net	18	14	35	35	11	(3)	-2 Regular, -1 SdPro
Gross	18	16	35	35	11	(5)	
Urology							
Net	19	17	23	23	14	(3)	-1 Regular, -4 Contract, -4 SdPro
Gross	21	21	24	24	14	(7)	
Oncology / Transplant							
Net	35	36	38	38	47	11	+6 Regular, +1 Temp, +1 Contractor, +5 SdPro
Gross	42	42	43	43	47	5	
Total Ventures							
Net	184	156	183	183	188	13	
Gross	177	175	203	203	171	(4)	
DISCOVERY							
Net	778	778	778	778	770	(8)	-6 Regular, -4 Temp, +3 Contract, +1 SdPro
Gross	802	802	803	803	803	1	
DRUG SAFETY							
Net	200	185	205	205	189	(16)	-3 Regular, -3 Contractor
Gross	205	205	208	208	205	0	
PARD							
Net	344	330	344	344	337	7	+8 Regular, -2 Contractor
Gross	358	358	360	360	358	3	
PHASE I							
Net	57	56	76	76	62	6	+3 Regular, +3 Contractor
Gross	57	57	76	76	62	5	
DEV OPS							
Net	213	197	218	218	181	(16)	+2 Regular, -2 Temp, +5 Contract, -21 SdPro
Gross	213	213	220	220	188	(27)	
RA							
Net	67	64	69	69	68	4	+4 Regular
Gross	69	69	69	69	68	(1)	
MA							
Net	143	138	145	145	137	1	+4 Regular, -3 Contractor,
Gross	145	145	148	148	148	1	
ADMIN							
Net	86	82	85	85	113	31	+14 Regular, -1 Temp, +18 SdPro
Gross	86	82	85	85	113	31	
JUDGMENT							
Net	23	67	35	(4)	80	3	-26 Regular, +4 Temp, -1 Contract, +18 SdPro
Gross	35	41	61	7	73	32	
TOTAL							
Net	2,373	2,373	2,412	2,373	2,373	0	
Gross	2,443	2,443	2,467	2,443	2,443	0	

CONFIDENTIAL
ABBT 0037581

HIGHLY
CONFIDENTIAL
ABBT 0037581

64

Div. Contra

65

Pharmaceutical Products Research & Development
2001 Plan Headcount (Manmonth) Summary

L:\GROUP\PLAN\2001 PLAN\headcount\Summary_2001 Manmonths

01/31/2001 15:17

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Man Months
Information Management & Technology													
Regular	177	179	180	180	181	183	186	186	189	189	189	191	2,216
Temp/Summer	---	---	---	---	---	---	---	---	---	---	---	---	---
Contractors	---	---	---	---	---	---	---	---	---	---	---	---	---
Sci/Pro	78	79	74	72	72	72	71	71	70	69	67	66	861
Net Total	255	258	254	252	253	255	257	257	259	258	256	257	3,071
Unfills	---	---	---	---	---	---	---	---	---	---	---	---	---
Gross Total	255	258	254	252	253	255	257	257	259	258	256	257	3,071
Ventures													
Regular	138	140	140	143	146	147	147	147	147	147	147	147	1,736
Temp/Summer	3	3	3	3	3	3	3	3	3	3	3	3	36
Contractors	6	6	6	6	6	6	6	5	5	5	5	5	67
Sci/Pro	16	16	16	16	16	16	16	14	14	14	14	14	182
Net Total	163	165	165	168	171	172	172	169	169	169	169	169	2,021
Unfills	11	11	11	9	6	5	5	2	2	2	2	2	68
Gross Total	174	176	176	177	177	177	177	171	171	171	171	171	2,089
Discovery													
Regular	747	745	745	746	747	748	748	748	748	748	748	749	8,968
Temp/Summer	2	4	4	4	16	23	23	17	4	3	3	3	106
Contractors	20	20	20	19	19	19	18	17	17	17	17	17	220
Sci/Pro	1	1	1	1	1	1	1	1	1	1	1	1	12
Net Total	770	770	771	770	783	781	790	783	770	769	769	770	9,306
Unfills	33	33	32	33	32	31	31	33	33	34	34	33	392
Gross Total	803	803	803	803	815	822	821	816	803	803	803	803	9,698
Drug Safety													
Regular	179	180	184	184	184	184	184	184	184	184	184	184	2,199
Temp/Summer	---	---	---	---	---	13	13	13	---	---	---	---	39
Contractors	5	5	5	5	5	5	5	5	5	5	5	5	60
Sci/Pro	---	---	---	---	---	---	---	---	---	---	---	---	---
Net Total	184	185	189	189	189	202	202	202	189	189	189	189	2,298
Unfills	21	20	16	16	16	16	16	16	16	16	16	16	201
Gross Total	205	205	205	205	205	218	218	218	205	205	205	205	2,499
Pharm Analytical R&D													
Regular	318	318	318	318	318	318	318	318	318	318	318	318	3,816
Temp/Summer	2	2	2	2	2	2	2	2	2	2	2	2	24
Contractors	17	17	17	17	17	17	17	17	17	17	17	17	204
Sci/Pro	---	---	---	---	---	---	---	---	---	---	---	---	---
Net Total	337	337	337	337	337	337	337	337	337	337	337	337	4,044
Unfills	22	22	22	22	22	22	22	22	22	22	22	22	264
Gross Total	359	359	359	359	359	359	359	359	359	359	359	359	4,308
Phase-I Center													
Regular	48	49	50	53	53	53	53	53	53	53	53	53	624
Temp/Summer	2	2	2	2	2	4	4	4	4	2	2	2	32
Contractors	8	8	7	7	7	7	7	7	7	7	7	7	85
Sci/Pro	---	---	---	---	---	---	---	---	---	---	---	---	---
Net Total	58	59	59	62	62	64	64	64	64	62	62	62	742
Unfills	1	3	3	---	---	---	---	---	---	---	---	---	7
Gross Total	59	62	62	62	62	64	64	64	64	62	62	62	749

HIGHLY
CONFIDENTIAL
ABBT 0037583

66

Pharmaceutical Products Research & Development
2001 Plan Headcount (Manmonth) Summary

01/31/2001 15:17

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Man Months
Development Operations													
Regular	148	148	148	148	148	150	150	150	150	150	150	150	1,790
Temp/Summer	1	1	1	1	1	1	1	1	1	1	1	1	12
Contractors	8	8	8	8	8	8	8	8	8	8	8	8	96
Sci/Pro	22	22	22	22	22	22	22	22	22	22	22	22	264
Net Total	179	179	179	179	179	181	181	181	181	181	181	181	2,162
Unfills	7	7	7	7	7	5	5	5	5	5	5	5	70
Gross Total	186	186	186	186	186	186	186	186	186	186	186	186	2,232
Regulatory Affairs													
Regular	57	58	60	62	62	62	62	62	62	62	62	62	733
Temp/Summer	1	1	1	1	1	1	1	1	1	1	1	1	12
Contractors	4	4	4	4	4	4	4	4	4	4	4	4	48
Sci/Pro	1	1	1	1	1	1	1	1	1	1	1	1	12
Net Total	63	64	66	68	68	68	68	68	68	68	68	68	805
Unfills	2	1	...	...	...	...	...	...	...	...	...	...	3
Gross Total	65	65	66	68	68	68	68	68	68	68	68	68	808
Medical Affairs													
Regular	112	115	119	122	122	124	125	125	125	125	125	125	1,484
Temp/Summer	1	1	3	3	3	5	5	5	1	1	1	1	30
Contractors	7	7	7	7	7	7	7	7	7	7	7	7	84
Sci/Pro	5	6	6	6	6	5	4	4	4	4	4	4	58
Net Total	125	129	135	138	138	141	141	141	137	137	137	137	1,636
Unfills	17	13	10	9	9	9	9	9	9	9	9	9	121
Gross Total	142	142	145	147	147	150	150	150	146	146	146	146	1,757
Administration													
Regular	88	88	88	88	88	88	88	88	88	88	88	88	1,056
Temp/Summer	2	2	2	2	2	2	2	2	2	2	2	2	24
Contractors	5	3	5	3	5	3	5	3	4	3	5	5	49
Sci/Pro	18	18	18	18	18	18	18	18	18	18	18	18	216
Net Total	113	111	113	111	113	111	113	111	112	111	113	113	1,345
Unfills	...	...	...	...	...	...	...	...	...	...	...	...	...
Gross Total	113	111	113	111	113	111	113	111	112	111	113	113	1,345
Judgment													
Regular	(25)	(18)	(1)	5	45	49	49	42	54	61	67	57	385
Temp/Summer	7	5	3	3	4	2	2	2	4	7	7	7	53
Contractors	...	...	...	...	...	...	...	...	...	...	...	...	...
Sci/Pro	21	31	30	43	33	30	32	36	36	41	45	26	404
Net Total	3	18	32	51	82	81	83	80	94	109	119	90	842
Unfills	79	58	42	22	(24)	(48)	(53)	(37)	(24)	(35)	(45)	(17)	(82)
Gross Total	82	76	74	73	58	33	30	43	70	74	74	73	924
Total Plan Detail													
Regular	1,987	2,002	2,032	2,049	2,094	2,106	2,110	2,103	2,118	2,125	2,131	2,124	24,981
Temp/Summer	21	21	21	21	34	56	56	50	22	22	22	22	368
Contractors	80	78	79	76	78	76	77	73	74	73	75	75	914
Sci/Pro	162	174	168	179	189	165	165	167	166	170	172	152	2,009
Net Total	2,250	2,275	2,300	2,325	2,375	2,403	2,408	2,393	2,380	2,390	2,400	2,373	28,272
Unfills	193	168	143	118	68	40	35	50	63	53	43	70	1,044
Gross Total	2,443	2,443	2,443	2,443	2,443	2,443	2,443	2,443	2,443	2,443	2,443	2,443	29,316

HIGHLY
CONFIDENTIAL
ABBT 0037584

67

Pharmaceutical Products Research & Development
2001 Plan Headcount (Manmonth) Summary

L:\GROUP\PLANNING\2001 PLAN\Headcount\France_ph.xls\Manmonths

01/31/2001 15:17

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Man Months
From Heads Tab													
Regular	1,987	2,002	2,032	2,049	2,094	2,106	2,110	2,103	2,118	2,125	2,131	2,124	24,981
Temporary/Summ	21	21	21	21	34	56	56	50	22	22	22	22	368
Contractors	85	83	85	85	85	84	86	84	85	84	85	85	1,016
Sci/Pro	157	169	162	170	162	157	156	156	155	159	162	142	1,907
Total	2,250	2,275	2,300	2,325	2,375	2,403	2,408	2,393	2,380	2,390	2,400	2,373	28,272
Unfills	193	168	143	118	68	40	35	50	63	53	43	70	1,044
Total	2,443	2,443	2,443	2,443	2,443	2,443	2,443	2,443	2,443	2,443	2,443	2,443	29,316

Detail > Corp Submission

Regular	...	...	...	...	...	...	...	...	...	...	...	...	...
Temporary/Summ	...	...	...	...	...	...	...	...	...	...	...	...	...
Contractors/Sci Pr	...	...	...	...	...	...	...	...	...	...	...	...	...
Total	...	...	...	...	...	...	...	...	...	...	...	...	...
Unfills	...	...	...	...	...	...	...	...	...	...	...	...	...
Total	...	...	...	...	...	...	...	...	...	...	...	...	...

2001 Corp Submission

Regular	1,987	2,002	2,032	2,049	2,094	2,106	2,110	2,103	2,118	2,125	2,131	2,124	24,981
Temporary/Summ	21	21	21	21	34	56	56	50	22	22	22	22	368
Contractors/Sci Pr	242	252	247	255	247	241	242	240	240	243	247	227	2,923
Total	2,250	2,275	2,300	2,325	2,375	2,403	2,408	2,393	2,380	2,390	2,400	2,373	28,272
Unfills	193	168	143	118	68	40	35	50	63	53	43	70	1,044
Total	2,443	2,443	2,443	2,443	2,443	2,443	2,443	2,443	2,443	2,443	2,443	2,443	29,316

Oracle Report 01/31/01

Regular	2,012	2,020	2,033	2,051	2,049	2,057	2,069	2,061	2,061	2,064	2,064	2,067	24,608
Temporary/Summ	14	16	18	18	30	54	54	54	48	18	15	15	354
Contractors	80	78	79	76	78	76	77	77	73	74	75	75	918
Sci/Pro	141	143	138	135	136	135	133	133	131	130	127	126	1,608
Total	2,247	2,257	2,268	2,280	2,293	2,322	2,333	2,325	2,313	2,286	2,281	2,283	27,488
Unfills	114	110	101	89	92	88	79	88	87	87	88	87	1,110
Total	2,361	2,367	2,369	2,369	2,385	2,410	2,412	2,413	2,400	2,373	2,369	2,370	28,598

Check figure Oracle vs details before judgement

Regular	...	...	...	7	...	...	8	...	(3)	...	...	...	12
Temporary/Summ	...	...	...	...	...	...	...	6	30	3	...	...	39
Contractors	...	...	...	...	...	...	...	4	(1)	1	...	...	4
Sci/Pro	...	...	...	(1)	...	...	...	2	1	1	...	...	3
Total	...	...	...	6	...	...	8	12	27	5	...	...	58
Unfills	...	...	...	(7)	...	...	(9)	1	...	(1)	...	...	(16)
Total	...	...	...	(1)	...	...	(1)	13	27	4	...	...	42

L:\GROUP\PLANNING\2001 PLAN\Headcount\France_ph.xls\Manmonths

HIGHLY
CONFIDENTIAL
ABBT 0037585

68

Capital

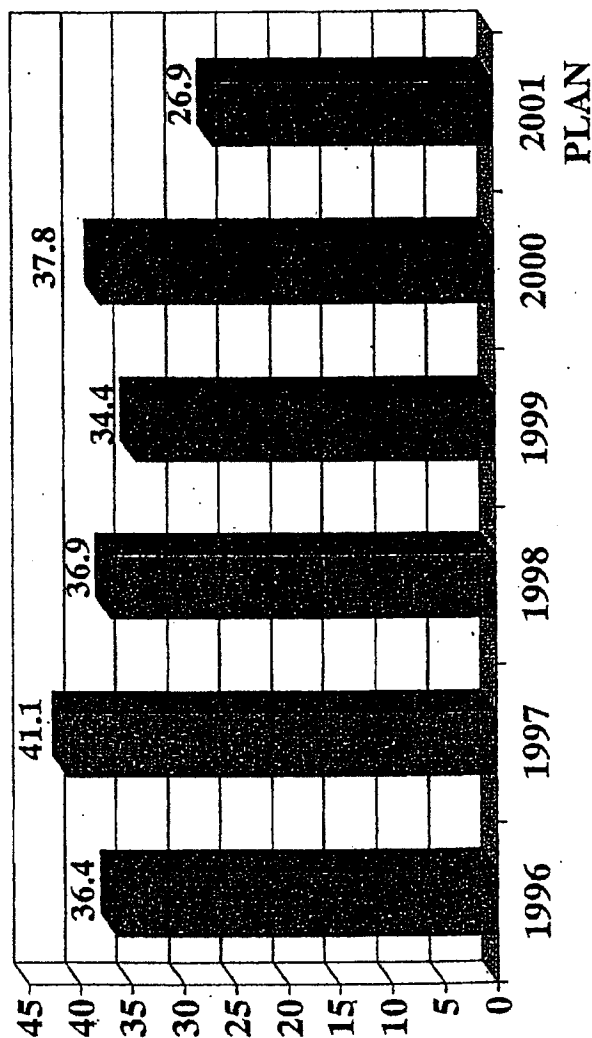
HIGHLY
CONFIDENTIAL
ABBT 0037586

Woidat Deposition Exhibit 2

P's Exhibit MB

Part 3

R&D Capital 1996-2001 (\$MM's)



HIGHLY
CONFIDENTIAL
ABBT 0037587

*Final
Plan*

2001 PLAN Capital
Pharmaceutical Products Research & Development

	2000 AGU	2001 PLAN	\$ Fav/(Unfav)	% Fav/(Unfav)
Authorizations				
IM&T	6,672	4,748	1,924	28.8%
Discovery	11,268	7,626	3,642	32.3%
Drug Safety	3,520	3,125	395	11.2%
PARO	3,485	5,805	(2,320)	-66.6%
Admin	12,380	3,480	8,900	71.8%
Dev Ops	100	100	0	0.0%
Medical Affairs	50	50	0	0.0%
RA/QA	10	10	0	0.0%
Other	283	2,000	(1,717)	-606.7%
Total	37,778	26,944	10,834	28.7%

Project Expense				
IM&T	8,631	2,080	6,541	75.8%
Discovery	1,095	892	203	18.5%
Drug Safety	272	17	255	93.8%
PARO	425	828	(403)	-94.8%
Admin	1,498	743	756	50.4%
Dev Ops	9	9	0	0.0%
Medical Affairs	11	11	0	0.0%
RA/QA	4	4	0	0.0%
Other	4	0	4	100.0%
Judgment	(1,722)	400	(2,122)	123.2%
Total	10,228	4,884	5,344	51.2%

L:\GROUP\PLAN\INGCAPITAL\2001plan\2001Capital-1stPass.xlsTitle

HIGHLY
CONFIDENTIAL
ABBT 0037588

76

**Pharmaceutical Product Research & Development
2007 PLAT Capital**

Item	ABT	AUTOCOSTS		PRICES		EXPENSES		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL			
------	-----	-----------	--	--------	--	----------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	-------	--	--	--

**PHARMACEUTICAL PRODUCTS DIVISION
RESEARCH & DEVELOPMENT
PROPOSED CAPITAL PROJECTS <\$250M**

	2000 AGU	2001 Authorizations		01 Funded v. '00 AGU
		Requests	Funded	
IM&T *	3,196	3,787	2,538	658
Development Ops	100	100	100	0
Discovery	4,670	4,027	4,027	643
Drug Safety	2,050	2,809	2,050	0
PARD	2,455	3,092	2,455	0
Medical Affairs	50	45	50	0
RA/QA	10	20	10	0
Other	283	0	2,000	(1,717)
Total	12,814	13,880	13,230	(416)

* Includes \$1,545M for PC refresh and new employees.

L:\GROUP\PLANNING\CAPITAL\2001 plan\2001 Capital-1st Pass.xls\RD Summary

HIGHLY
CONFIDENTIAL
ABBT 0037590

22

2001 Plan Task Exercise Pharmaceutical Products Division Research and Development (\$MM)				Capital Authorizations		Proj Expenses		Total
				> \$50	< \$50	> \$50	< \$50	
Capital Projects								
Project Name	Capital Auth	Project Exp	Commentary					
Admin:								
- Delay AEGIS Wave III to 2002	2,000	-						
- Reduce lab renovations	2,000	440						
Subtotal Admin	4,000	440						
IM&T:								
- Reduce PC Refresh / Asset Mgmt	400	-						
- NT Storage Mgmt	584	154						
- Under \$250 project expense reduced	-	442						
Subtotal IM&T	1,054	596						
Discovery:								
- Therapeutic Area Projects Support	198	1,892						
- HTS Expansion	1,030	300						
- Genomics Expansion	580	460						
- Biting under \$250 back to original request amount	643	-						
- Under \$250 project expense reduced	-	200						
Subtotal Discovery	2,401	2,852						
Drug Safety:								
- LCMS	1,910	120						
- Lab Renovation AP13A	-	-						
- Gene Expression	411	1,044						
- Under \$250 project expense reduced	-	-						
Subtotal Drug Safety	2,321	1,164						
PARD:								
- Potent Drug Encapsulator	500	100						
- Under \$250 project expense reduced	-	400						
Subtotal PARD	500	500						
Other:								
- Eliminate Judgment	283	478						
- Unidentified Reverse Task	(2,000)	(400)						
Total Impact	5,559	5,800						

CONFIDENTIAL

HIGHLY
CONFIDENTIAL
ABBT 0037591

Balance Sheet

HIGHLY
CONFIDENTIAL
ABBT 0037592

Balance Sheet Gaining Br. Note this is exactly as it appears in the J100s

Book 11 6/1/07

PHARMACEUTICAL PRODUCTS DIVISION
DETAIL OF ACCOUNTS PAYABLE ACCRUED EXPENSES

CATEGORY	Actual 12/31/07	Actual 12/31/08	Actual 12/31/09	AGU 12/31/00	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	13 MO AVG
SALARIES, WAGES & COMMISSIONS																	
Mgmt Incentive plans - RAD	(2,860)	(2,896)	(3,021)	(3,022)	(3,272)	(3,524)	(714)	(1,008)	(1,288)	(1,610)	(1,782)	(2,014)	(2,286)	(2,618)	(2,776)	(3,022)	(2,440)
OTHER ACCRUED LIABILITIES																	
Clinical grants - RAD	(78,837)	(87,796)	(98,947)	(94,798)	(98,190)	(92,350)	(84,123)	(82,837)	(81,881)	(81,801)	(83,818)	(90,488)	(98,151)	(93,328)	(94,717)	(93,761)	(82,204)
Drug Safety Grant Account - RAD	(488)	(488)	(473)	(504)	(560)	(560)	(560)	(560)	(560)	(560)	(560)	(560)	(560)	(560)	(560)	(560)	(591)
Misc RAD	(8,521)	(8,511)	(8,742)	(9,007)	(11,102)	(10,037)	(10,380)	(9,351)	(11,027)	(10,043)	(11,320)	(12,784)	(10,181)	(12,071)	(11,521)	(7,878)	(10,288)
OTHER ACCRUED LIABILITIES	(88,517)	(93,945)	(105,502)	(94,357)	(99,939)	(72,879)	(75,104)	(72,774)	(73,264)	(72,150)	(83,713)	(82,818)	(59,278)	(87,482)	(58,824)	(81,822)	(84,189)
TOTAL AP & ACCRUED EXP.	(89,307)	(84,481)	(103,333)	(87,279)	(73,110)	(78,409)	(78,808)	(72,779)	(74,823)	(72,860)	(87,482)	(84,152)	(89,144)	(80,000)	(82,884)	(84,844)	(88,809)

PHARMACEUTICAL PRODUCTS DIVISION
DETAIL OF PREPAID EXP. AND OTHER RECEIVABLES

CATEGORY	Actual 12/31/07	Actual 12/31/08	Actual 12/31/09	AGU 12/31/00	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	13 MO AVG
PREPAID EXPENSE																	
Spending plans (RAD)	464	414	439	422	432	432	432	432	432	432	432	432	432	432	432	432	432
Ligand Contract	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trigabine Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Clinical R & D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PREPAID EXPENSE	464	414	439	422	432	432	432	432	432	432	432	432	432	432	432	432	432
OTHER RECEIVABLES																	
Travel advances (RAD)	873	309	170	325	578	578	578	578	578	578	578	578	578	578	578	288	508
TOTAL PREPAID AND OTHER RECEIVABLE	1,337	718	608	747	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	720	941

L:\GROUP\PLANNING\0001 PLAN\Balance Sheet\Bal_APL\Bal\grm

06/28/00 02:37 PM

HIGHLY
CONFIDENTIAL
ABBT 0037593

74

UNICAL GRA
RD 348-300
101 PLAN

ALANCE SHEET GAITING

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Beginning G/L Balance	(53,000)	(58,150)	(62,256)	(64,128)	(62,837)	(61,651)	(61,501)	(53,815)	(48,488)	(46,131)	(43,825)	(44,717)	
Payments	8,945	8,867	11,077	11,788	11,421	10,647	12,283	9,231	9,461	8,383	8,781	10,754	122,556
Adjusted Grants (per P&L gaiting)	(14,095)	(12,973)	(12,948)	(10,508)	(10,235)	(10,397)	(4,597)	(4,884)	(8,124)	(7,087)	(9,673)	(9,798)	(113,317)
Grant Gaiting Adjustments													
Adjusted Grants	(14,095)	(12,973)	(12,948)	(10,508)	(10,235)	(10,397)	(4,597)	(4,884)	(8,124)	(7,087)	(9,673)	(9,798)	(113,317)
Other	...	...	...	...	...	...	...	...	...	...	...	...	...
Ending G/L Balance	(58,150)	(62,256)	(64,128)	(62,837)	(61,651)	(61,501)	(53,815)	(48,488)	(46,131)	(43,825)	(44,717)	(43,761)	
Indeposits:													
Debit Balances	...	...	...	...	...	...	...	...	...	...	...	...	...
Other	...	...	...	...	...	...	...	...	...	...	...	...	...
Ending MFRP Balance	(58,150)	(62,256)	(64,128)	(62,837)	(61,651)	(61,501)	(53,815)	(48,488)	(46,131)	(43,825)	(44,717)	(43,761)	

29-Sep-00 02:07 PM
GROUP PLANING 2001 PLAN Balance Sheet (Bel_ahLw) Grants

96 Actual Pay as % of BB	22.25%	19.15%	30.85%	15.59%	20.20%	10.84%	25.05%	19.13%	20.28%	13.89%	21.78%	22.13%	
97 Actual Pay as % of BB	12.28%	8.62%	10.12%	14.99%	22.48%	11.49%	11.21%	12.60%	7.44%	9.08%	8.81%	14.55%	
98 Actual Pay as % of BB	3.62%	7.21%	6.93%	7.71%	9.64%	10.16%	9.46%	5.78%	8.98%	11.18%	8.68%	16.24%	
99 Actual Pay as % of BB	10.49%	10.81%	8.18%	19.70%	4.49%	19.73%	17.90%	12.52%	19.59%	25.64%	18.05%	20.91%	
Our year average	12.16%	10.95%	13.78%	14.50%	14.20%	13.05%	15.91%	12.51%	14.07%	14.84%	14.33%	18.46%	
96 Actual	18,915	25,781	25,749	26,740	25,861	31,230	29,251	27,202	25,939	25,579	24,839	24,988	
97 Actual	40,698	46,087	48,433	48,752	44,188	47,690	50,516	55,955	62,751	64,408	67,079	75,827	
98 Actual	78,671	78,485	78,324	78,977	75,397	70,808	69,331	66,581	65,681	66,718	62,780	60,600	
99 Actual	67,702	67,392	68,501	51,012	48,787	47,310	39,852	33,259	34,582	36,331	40,172	43,840	
Our year average	48,997	61,838	53,252	51,370	48,808	49,235	47,237	45,749	47,238	48,258	46,720	51,284	

HIGHLY
CONFIDENTIAL
ABBT 0037594

Depreciation

HIGHLY
CONFIDENTIAL
ABBT 0037595

Pharmaceutical Products Division R&D
2001 Depreciation Estimate vs. 2000 Depreciation
By Division

Division	2001 Est. Base Depr*	2001 Estimated Depr. of Projects from 5/00-12/00	2001 Estimated Depr. for '01 Transfer	Judgement	2001 Est. Total Depr.	2000 Depreciation	\$ Incl/(Dec)	% Incl/(Dec)
42-IM&T	4,385	1,058	285	(134)	5,592	6,253	(661)	-10.8%
43-Ventures	293	24	8	(5)	319	276	43	15.6%
44-Discovery	11,103	1,756	689	(383)	13,165	12,906	259	2.0%
46-Drug Safety	2,703	23	482	(258)	2,950	3,046	(96)	-3.2%
47-PARD	3,721	235	270	(206)	4,020	4,428	(408)	-9.2%
49-Phase I Center	244	2	9	(7)	248	205	43	21.0%
52-Development Ops.	1,535	1	10	(8)	1,538	1,405	133	9.5%
53-RA/QA	90	8	4	(4)	98	68	30	44.1%
54-Medical Affairs	208	8	8	(6)	220	182	38	20.8%
55-Admin	448	2,699	43	(33)	3,157	2,031	1,126	55.4%
	<u>24,730</u>	<u>5,813</u>	<u>1,808</u>	<u>(1,043)</u>	<u>31,307</u>	<u>30,800</u>	<u>507</u>	<u>1.7%</u>

* Based on the FAR 50 Report dated 5/00.

01-Mar-01

L:\GROUP\PLANNING\2001 PLAN\Fixed Expenses\01m depr.123

HIGHLY
CONFIDENTIAL
ABBT 0037596

03/01/01

76
b1m depr.123

Floorspace

HIGHLY
CONFIDENTIAL
ABBT 0037597

**PPD R&D
FLOOR SPACE SUMMARY
2001 PLAN**

Items	2000	1st Pass 2001	2nd Pass 2001	1st Pass		2nd Pass	
				VARIANCE INCR/(DECR)	%	VARIANCE INCR/(DECR)	%
CED	36,807,816	36,691,048	38,777,826 ¹	1,883,132	5.1%	1,969,910	5.4%
J23/J25- Amhurst	457,449	480,322	464,991 ²	22,872	5.0%	7,542	1.6%
J35 -Carriage pt	351,680	369,264	343,466 ⁴	17,584	5.0%	(8,214)	(2.3%)
J28MIS	408,769	429,207	406,341 ³	20,438	5.0%	(2,428)	(0.6%)
Unidentified Space	40,056	42,061	41,860	2,003	n/a	1,802	n/a
Plug (s/b zero)	0	0	0	0	0.0%	0	0.0%
Total	38,015,370	38,015,370	39,693,974	1,678,604	4.4%	1,678,604	4.4%

¹ Input per CED Report Pass #1 dated 8/29/00 and CED Report Pass #2 dated 9/1/00 plus the adjustment for D-472. This adjustment was detailed in John Uri's memo dated 1/29/2001. The adjustment equals \$21,424 for additional space in D-472 as requested by J. Hammarlin.

² Per CED Report (dated 8/1/00) and Division Summary from P. Kadish (dated 9/28/00).
Note: Amhurst rates for 2001 PLAN went up by 1.65% versus 2000 PLAN. (\$q. ft. are obtained from CED memo, while \$'s are obtained from Division memo.

³ Per memo received from Sarah Schaefer on 8/21/00
per S. Schaefer 10/1/99.

⁴ Carriage Point charges to be allocated, calculated as follows:
Lease charge from Legal (R. Pollock) of \$479,532 for 2001
Total expenses of \$716,633 allocated between Marketing and R&D based on square feet occupied.

Total lease charges	\$479,532	31,400
Less Slackcard to T. Thompson	(\$136,368)	(\$,976)
Net charge to Discovery	<u>\$343,168</u>	<u>25,425</u>

LEAD:PPD/Unidentified Floor Space/2001 Summary

HIGHLY
CONFIDENTIAL
ABBT 0037598

PPD R&D
DIVISIONAL VARIANCE SUMMARY
2001 PLAN
FLOORSPACE

Division	Total Dollars (\$000's)		Total Square Feet		Average Rate	
	2000	2001	2000	2001	2000	2001
IM&T	1,864.4	1,328.9	80,847	50,782	\$37.08	\$37.88
Ventures	1,051.3	1,018.4	28,528	28,878	\$36.34	\$35.10
Discovery	18,528.8	19,520.7	364,982	365,815	\$50.78	\$53.41
Drug Safety	7,682.8	7,808.3	144,747	141,181	\$51.88	\$54.84
PARC	5,653.2	6,164.8	144,888	144,888	\$40.42	\$42.57
Phase I Center	289.9	301.2	4,880	4,880	\$61.17	\$62.33
Development Ops	1,441.1	1,357.7	38,734	33,938	\$37.21	\$40.00
Regulatory Affairs	434.8	484.4	12,135	12,376	\$35.82	\$37.82
Medical Affairs	558.8	678.6	17,204	19,098	\$32.52	\$35.51
Administration	443.1	702.7	10,184	15,856	\$43.59	\$44.86
Less Carriage Point	(351.7)	(343.5)	...	...	N/A	N/A
					N/A	N/A

(a) Primarily due to Clinical Pharmacokinetic (D-47K) receiving 1,107 sq. ft. in APG for 2001 PLAN.

(b) Primarily due to Statelior (D-439) re-allocating their space to Outcomes research (D-42), Med. Affairs) and Decision Analysis (D-4NF, Admin.).

(c) Primarily due to R&D Ops (D-477) receiving and additional 644 sq. ft. in APG and due to Outcomes Research (discussed in footnote (b) above).

HIGHLY
CONFIDENTIAL
ABBT 0037599

78

PTD R&D
BUILDING VARIANCE SUMMARY
2001 PLAN
FLOORS/SPACE

Building	Total Dollars (\$000's)		% Inc/Dec	Total Square Feet		% Inc/Dec	Average Rate		% Inc/Dec
	2000	2001		2000	2001		2000	2001	
A1	11.9	12.8	0.7	384	384	0.0%	\$31.02	\$32.88	5.8%
A4	231.1	242.2	11.2	6,358	6,358	0.0%	\$36.34	\$38.10	4.8%
AP10	4,903.3	5,124.0	220.9	101,288	101,288	(4)	\$48.41	\$50.69	4.5%
AP13	1,740.0	1,812.8	72.8	35,911	35,503	(108)	\$49.68	\$51.06	2.7%
AP13A	4,489.7	4,722.8	233.1	73,960	73,529	(31)	\$61.17	\$64.23	5.0%
AP16	151.0	165.4	14.4	11,931	12,273	342	\$12.68	\$13.46	6.2%
AP16A	134.0	131.1	(3.0)	8,060	4,418	(642)	\$16.49	\$29.87	80.8%
AP20	163.5	172.5	9.0	2,861	3,661	0	\$57.50	\$48.23	-16.2%
AP3	863.2	928.5	65.3	25,865	25,865	0	\$33.35	\$35.51	6.5%
AP30	930.2	975.2	45.0	25,896	25,896	0	\$34.76	\$37.28	7.3%
AP31	661.8	607.9	(46.4)	14,764	14,764	0	\$44.83	\$41.19	-8.2%
AP34	237.7	266.4	28.7	6,542	6,782	240	\$36.34	\$39.41	8.4%
AP52	6,065.9	5,375.6	(278.7)	85,763	85,753	(10)	\$70.74	\$62.69	-11.4%
AP6A	82.1	672.4	60.3	13,925	13,966	(69)	\$59.34	\$48.48	-18.9%
AP6C	53.6	672.4	60.3	22,897	22,897	0	\$28.26	\$29.39	4.0%
AP80	25.3	32.3	6.0	1,478	847	(1,478)	\$17.12	\$38.10	122.6%
AP9	3,808.6	3,822.1	13.5	83,202	83,202	0	\$45.76	\$45.95	0.4%
AP9A	4,983.3	4,983.3	0	100,990	100,990	(77)	\$43.35	\$43.66	0.7%
AP9B	498.1	498.1	0	10,132	10,132	0	\$49.14	\$49.14	0.0%
J2	40.3	42.7	2.4	2,786	2,786	0	\$14.48	\$15.33	5.9%
J23 (Amhurst)	185.1	188.2	3.1	7,325	7,325	0	\$25.27	\$25.70	1.7%
J25 (Amhurst)	272.3	276.8	4.5	10,777	10,777	0	\$25.27	\$25.70	1.7%
J26 (North Point-MIS)	408.9	408.9	0	12,262	12,262	0	\$33.14	\$33.14	0.0%
J26 (North Point-MIS)	351.7	343.5	(8.2)	12,262	12,262	0	\$28.70	\$28.02	-2.4%
M2	28.8	30.5	1.7	1,168	1,168	0	\$24.48	\$26.13	6.8%
M3	611.3	637.2	25.9	32,742	31,970	(772)	\$18.67	\$18.93	1.4%
R1	168.9	161.0	(6.9)	6,035	4,871	(384)	\$27.82	\$33.14	20.9%
R12	553.9	569.8	15.9	6,731	6,731	0	\$81.78	\$84.54	3.4%
R13	2,864.5	2,863.0	(1.5)	45,671	45,571	(100)	\$62.94	\$62.85	-0.1%
R14	878.8	937.3	68.5	12,637	12,598	(41)	\$69.54	\$74.41	7.0%
R18	1,041.3	1,219.8	178.4	26,860	26,807	(53)	\$39.06	\$45.34	16.0%
R2	331.4	357.4	26.1	9,546	9,608	62	\$34.70	\$37.28	7.4%
R6	839.6	873.5	33.7	15,914	15,916	2	\$52.77	\$54.86	4.0%
Less Carriage Point	(351.7)	(443.5)	(82.3%)	---	---	---	N/A	N/A	N/A

MIS:G
 CCD Rate
 Increased by 5.3%
 Increased by 1.6%
 North Point Charges
 Decreased by 2.5% due to commercial assuming
 responsibility for 600 sq. ft. more over year 2000.

(a) Primarily due to PARO's Intermediate Scale Up facilities (D-4P9) accounting for 486 sq. ft. and \$6.8 over year 2000.
 (b) Primarily due to PARO's Intermediate Scale Up facilities (D-4P9) using less space in AP16A and more in AP18.
 (c) Due to Outcomes Research (D-4J2) no longer needing space in AP6C.
 (d) Primarily due to an incorrect allocation on the floor plans (D-431). Amount will reside in D-434 until floor plan can be updated.
 (e) Par Carriage Point lease. Discovery is occupying 25,426 sq. ft. in J26.
 (f) Includes change of \$41.8 for R13 Undersized space (per Division allocation).
 (g) Primarily due to PARO's Disposal (D-4P4) occupying more space; partially offset by PARO Process Support (D-4P8) needing less space.
 (h) Due to PARO's Pharm. Analysis & Stability occupying more space.

HIGHLY
CONFIDENTIAL
ABBT 0037600

Misc. Fixed Expenses (Burden File)

HIGHLY
CONFIDENTIAL
ABBT 0037601

PPD R&D
2001 Fixed Allocations/Charges
GROSS (\$000)

Direct to Departments (Stack Card)	2000 AGU	2001 Plan	2001 APU	2001 AGU	01 Plan U/D vs. '00 AGU		Notes
					\$	%	
PPNC Allocations							
11 Wisdom to Product Development and R&D	328.7	322.7	322.7	322.7	-6.0	-1.8%	PPD Ops Fixed (T. Dee / J. Truax)
12 Other to Product Development	2,031.0	3,044.6	3,044.6	3,044.6	1,013.6	49.9%	PPD Ops Fixed (T. Dee / J. Truax)
13 Housekeeping	187.1	187.1	187.1	187.1	0.0	0.0%	Pulls from Misc. Fixed Tab
14 Whse. Handling Fixed Allocation	0.0	86.5	86.5	86.5	86.5	#DIV/0!	Pulls from Misc. Fixed Tab
Other							
15 Amortization Svc Loaners	26.5	26.5	26.5	26.5	0.0	0.0%	Pulls from Misc. Fixed Tab
16 Utilities	99.6	99.5	99.5	99.5	-0.1	-0.1%	Pulls from Misc. Fixed Tab
17 Corp Copier Fixed Costs	0.0	0.0	0.0	0.0	0.0	0.0%	Pulls from Misc. Fixed Tab
18 R&D Internal Allocation	0.0	0.0	0.0	0.0	0.0	0.0%	Pulls from Misc. Fixed Tab
19 ABC Allocations	0.0	0.0	0.0	0.0	0.0	0.0%	Pulls from Misc. Fixed Tab
Subtotal PPNC/Other	2,672.9	3,766.9	3,766.9	3,766.9	1,094.0	40.9%	
Corporate Reallocations							
2 Subtotal Other Cost Expense Pools	n/a	n/a	n/a	n/a	#VALUE!		N/A
R&D Allocations							
Depreciation	32,682.6	31,308.5	31,308.5	31,308.5	-1,354.1	-4.1%	L:\GROUP\PLANNING\2001 PLAN\Floorpace\01floor.xls
190 Floor Space	37,326.0	40,013.1	40,013.1	40,013.1	2,684.1	7.2%	L:\GROUP\PLANNING\fixedexp\01fixedbltn depr.wk4
Total Fixed (Group 40 for Functionals)	72,664.5	75,088.5	75,088.5	75,088.5	2,424.0	3.3%	
20 Total Cost Assignments Absorbed In Overh	42,244.5	40,081.1	40,081.1	40,081.1	-2,163.4	-5.1%	
Total Fixed/Overhead	114,909.0	115,169.6	115,169.6	115,169.6	260.6	0.2%	

L:\GROUP\PLANNING\2001 PLAN\Fixed Expenses\Burdennon_40\Main Fixed
2/1/01 5:21 PM

HIGHLY
CONFIDENTIAL
ABBT 0037603

PPD ALLOC. SUMMARY
FUNCTIONAL & C HEAD EXPENSE
GROSS (\$000)

Note: These charges are obtained from K. O'Rourke's group (PPD Dir. FPA; usually via Paddy Kadiach)

1999		1999	%	2000	2001	2001	%
Total		Total	Increase	AGU	Plan	APU	Increase
Other Cost Expense Pools - Kevin O'Rourke (PPD Div, FPAA)							
Other taxes on purchases	83.5	83.5	0.0%	50.0	50.0	50.0	0.0%
MFG Inventory Sales Tax	0.0	0.0	#DIV/0!	14.0	17.0	17.0	-24.3%
Insurance other PPAAE	207.9	207.9	0.0%	152.0	115.0	115.0	0.0%
Insurance Auto/Truck	1184.0	1184.0	0.0%	1.8	1.8	1.8	1.8%
Cafeteria	1855.3	1855.3	0.0%	1,200.0	1,219.0	1,219.0	-7.7%
Security	688.4	688.4	0.0%	512.0	472.5	472.5	-2.8%
Other Corp Admin	758.3	758.3	0.0%	0.0	0.0	0.0	-2.9%
Subtotal - Corp Admin	4,857.4	4,857.4	0.0%	1,829.8	1,875.3	1,875.3	-20.7%
Satellite Copiers	904.0	904.0	0.0%	555.2	539.0	539.0	-5.4%
Shuttle Bus	186.0	186.0	0.0%	111.0	134.0	134.0	2.7%
Mailroom	625.0	625.0	0.0%	314.0	297.0	297.0	-1.3%
CHMS - OSS Fixed Admin Svcs	546.0	546.0	0.0%	410.0	421.0	421.0	7.2%
Library Info Services	Internal	Internal	0.0%	2,920.0	2,784.0	2,784.0	6.0%
Other Fixed from PPD Comm	131.0	131.0	0.0%	0.0	0.0	0.0	7.7%
Subtotal Fixed from PPD Comm	2,292.0	2,292.0	0.0%	4,210.2	4,185.0	4,185.0	-0.6%
Purchasing Fixed(CHMS)	1,870.0	1,870.0	0.0%	987.0	747.0	747.0	12.1%
Other TeleMail(CHMS) - MIS Telecomm	178.0	178.0	0.0%	118.0	130.0	130.0	6.0%
PPD Mailroom (UPB)	110.0	110.0	0.0%	60.0	83.0	83.0	7.7%
Subtotal Fixed from CHMS & PPD Ops	1,958.0	1,958.0	0.0%	873.0	940.0	940.0	-0.6%
Subtotal Other Cost Expense Pools	8,107.4	8,107.4	0.0%	7,013.0	6,970.3	6,970.3	0.0%
Corp Admin Expense Assignments - Kevin O'Rourke (PPD Div, FPAA)							
LC Employment	130.0	130.0	0.0%	43.0	43.0	43.0	0.0%
LC Skills Develop	21.0	21.0	0.0%	4.0	4.0	4.0	-0.8%
Corporate Training	138.0	138.0	0.0%	81.0	57.0	57.0	-3.7%
LC Emp Skills Train College Relations	0.0	0.0	0.0%	0.0	0.0	0.0	-33.0%
Other Unit of Activity	321.0	321.0	0.0%	0.0	0.0	0.0	8.7%
Sub-Total Unit of Activity	810.0	810.0	0.0%	108.0	104.0	104.0	0.0
Outside Audit Fees	0.0	0.0	#DIV/0!	0.0	0.0	0.0	0.0
Drug User Fees	1818.0	1818.0	0.0%	1,802.0	1,207.0	1,207.0	-33.0%
Pelonia & Trademark	3819.0	3819.0	0.0%	5,365.0	8,050.0	8,050.0	8.7%
Other Pass Thru Charges	2781.0	2781.0	0.0%	0.0	0.0	0.0	0.0
Sub-Total Pass Thru Charge Basis	8398.0	8398.0	0.0%	7,357.0	7,257.0	7,257.0	0.0
Corporate Licensing	726.0	726.0	0.0%	712.0	736.0	736.0	3.7%
Account Payable	555.0	555.0	0.0%	352.0	343.0	343.0	-2.6%
Legal Staff	2105.0	2105.0	0.0%	1,807.9	2,308.0	2,308.0	20.9%
Regulatory Affairs	342.0	342.0	0.0%	388.0	481.0	481.0	24.0%
Payroll	593.0	593.0	0.0%	228.0	214.0	214.0	-8.1%
General Ledger System	0.0	0.0	#DIV/0!	0.0	0.0	0.0	-3.0%
Fixed Retainer Charge	1876.0	1876.0	0.0%	1,303.0	1,283.3	1,283.3	9.3%
Other Fixed Retainer	7840.0	7840.0	0.0%	4,890.9	6,345.3	6,345.3	2.8%
Sub-Total Corp Admin Fixed	14,117.0	14,117.0	0.0%	12,385.9	12,766.3	12,766.3	0.0%
Subtotal Corp Admin	23,123.0	23,123.0	0.0%	17,578.9	18,468.6	18,468.6	0.0%
Key Check:							
Overhead - Burden				1,802.0	1,207.0	1,207.0	
Overhead - PDA Fees				0.0	0.0	0.0	
Library Info Services charged to depis				18,378.9	18,378.9	18,378.9	

Journal Entry: Direct from CHMS by 6A132 CHMS** to PPRD 746-10

Journal Entry: Direct from CHMS by 0P148 CHMS** to A64

Journal Entry: Direct from CHMS by 0P150 CHMS** to A64

Journal Entry: Direct from Jm Study by 0P160** to A64

Variable from CHMS to PPD Comm includes to A64-A67

Variable monthly from CHMS** to A64 (P/Fee:160621)

Key Check: to verify subtotals are adding up all these numbers. We confirm our own PDA were balanced. Corp gives us only 1 component.

HIGHLY
CONFIDENTIAL
ABBT 0037604

ORGANIZATIONAL PLANNING AND EXPANSION

010 6 150-16-13

32

[illegible]

Note: These charges are obtained from various memos (mainly from PPD Ops). These memos are detailed in the Fixed Expenses binder. All PARO expenses come from Steve Sosolik directly (these should be in line with what PPD Ops has submitted (via J. Trux).

L-GROUP PLANING BOARD PLANNED EXPENSES RETURNED TO FILE
21 OCT 8 21 PM

HIGHLY
CONFIDENTIAL
ABBT 0037605

83

Fixed Allocations from Operations
(Via J. Truax memo)

		2000	2001	PD Variances		RD Variances	
		Product Develop	Research & Develop	Product Develop	Research & Develop	\$	%
PD RD							
11	WISDOM(On-Going)	189,000	139,700	183,000	139,650	-8,000	-3.2%
	EDMS (On Going)	255,000		255,000			
	EDMS Project Expense	85,000		0			
12	D-44K Stability (DOF)	75,000	440,400	75,000	524,800	0	0.0%
12	CHEN Utilities	48,000	235,000	104,600	188,800	56,800	117.9%
24	CHEN Maintenance	208,000	947,000	472,000	899,000	264,000	126.9%
26	PA ABC Allocations	682,000	68,675	778,000	68,800	98,000	14.1%
12	QA ABC Allocations	978,000	1,438,000	1,320,000	1,942,000	342,000	35.0%
27	CAPD Warehouse/Waste		83,648		81,773	0	-2.2%
28	CAPD Project Exp. Transfer		105,000		105,000	0	0.0%
24	D-55A Engineering Support		288,000		375,000	0	39.9%
21	Corp. Eng. Proj. Expense		1,426,000		1,993,000	0	39.8%
12	D-56T Calibration Serv	40,000		40,000		0	0.0%
	CHEN Envir Health & Saf	0	558,000	0	597,000	39,000	7.0%
	Total	2,660,000	5,709,423	3,227,600	6,814,623	667,600	26.1%
						1,205,200	21.1%

a) Not Included in overhead; charged directly to projects.

L:\GROUP\PLANNING\0001 PLANNING Expenses (Burdened).xls\Main Fixed
2/14/01 5:21 PM

HIGHLY
CONFIDENTIAL
ABBT 0037606

84

Key Unfunded List

HIGHLY
CONFIDENTIAL
ABBT 0037607

PPD - Research and Development

2001 PLAN

Key Unfunded Projects
(\$MM's)

(As of 1/5/2001)

Drug/Compound	Project Description	2001 PLAN
NEUROLOGY		
Depakote	New Formulations (Epilepsy & Acute Migraine)	1.9
Depakote	Bipolar In Pediatric Marks	1.4
ABT-594	Post Milestone Funding (3rd and 4th Quarter)	9.8
ABT-594	Phase IB Osteoarthritis Study (assumes 1/1/01 start date)	5.8
ABT-594	Additional Acute Pain Study (Phase IB Molar Extraction Study)	3.0
COX-II	Ongoing Pre-Clinical Studies	3.0
ABT-089	Single/Multiple Rising Dose Phase I Study	7.0
ABS-103	Pre-Clinical Studies	3.3
ABS-103	Single Rising Dose Phase I Study	2.4
NPS-1778	Pre-Clinical Studies	3.7
NPS-1778	Single and Rising Multiple Phase I and Formulation Bio Studies	2.4
Subtotal NEUROLOGY		43.7
ANTI-INFECTIVE		
Clarithromycin	Asthma/Immunomodulatory Studies	2.4
ABT-773	ABT-773 IV Development Cost	8.0
Quinolone (ABT-492)	Phase II Acceleration/Expansion of Clinical Studies	9.7
Quinolone (ABT-492)	IV, Formulation	4.0
Quinolone (ABT-492)	Japan Phase I Study	1.0
Omnicef	Pharyngitis/Tonsillitis Study: Pediatrics, Suspension, 50 BRD vs. Zithromax	4.0
Omnicef	ABECB - Two Arm Study 5D QD vs. Comparator	2.4
Subtotal ANTI-INFECTIVE		31.5
UROLOGY		
Fenofibrate	Diabetics	4.0
Bimoclomol	Phase II Studies	10.0
KCO	Pre-Clinical/Phase I Studies	6.0
Subtotal UROLOGY		20.0
HIV/IMMUNOLOGY		
Kaletra	Phase IIB Program (unfunded portion)	5.6
Kaletra	Kaletra QD	4.2
Kaletra	Post Approval Commitments	4.2
Kaletra	Kaletra Salvage	2.8
Kaletra	Kaletra Firstline	2.8
Kaletra	Expanded Access Program	1.6
Kaletra	Phase IV RTI	1.3
Kaletra	WHSC Citron	1.0
Kaletra	Metabolites Program	0.8
Kaletra	Miscellaneous Phase IV Studies	0.7
Subtotal HIV/IMMUNOLOGY		24.8
ONCOLOGY		
ABT-627	Early Stage Pca Cancer	11.0
K-5	Pre-Clinical/Phase I Studies	8.8
Subtotal ONCOLOGY		19.8
DISCOVERY		
DOC's	Development of DOC's	7.7
UNLICENSED COMPOUNDS		
Various	Funds to Acquire New Compounds	7.7
PRODUCTIVITY		
30% Reduction in Capital	Productivity Projects	6.0
	Rosetta Gene Expression	
	Genomics/HTS Expansion Program	
	AEGIS MedDRA	

CONFIDENTIAL
ABBT 0037608

Woidat Deposition Exhibit 3

P's Exhibit RX



Thomas E
Woidat/LAKE/PPRD/ABBOTT
T

03/21/2001 04:59 PM

Mike A Higgins/LAKE/PPRD/ABBOTT@ABBOTT, Michael A
Comilla/LAKE/PPRD/ABBOTT@ABBOTT, Matthew R
Russell/LAKE/PPRD/ABBOTT@ABBOTT, William A
To Brown/LAKE/PPRD/ABBOTT@ABBOTT, Kay
Rekau/LAKE/PPRD/ABBOTT@ABBOTT, Steve
Szostak/LAKE/PPRD/ABBOTT@ABBOTT, Anita P
Bakker/LAKE/PPRD/ABBOTT@ABBOTT

cc

bcc

Subject Proposed APU Target Adjustments

Attached please find my proposed adjustments to APU targets based on 1) Review of detail budget info in Oracle and 2) based on issues that have come in in the APU Review process(e.g. Kaletra PARD increase, Endothelin CRO savings, etc.).

I would appreciate it if each of you can review (analysts please review your respective projects). I think the most "controversial" proposal is increasing the 773 target by \$1.6MM. Bill I would appreciate it if you could do a scrub of Oracle upon your return from vacation. I noticed that your development cost summary reflects different numbers than currently in Oracle (incidentally the \$1.2MM SPD reduction needs to get dialed into Oracle). At a minimum, we should increase the 773 target for the IV Phase I study.

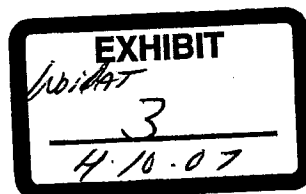
Let me know your comments.

Tom



Page 100proposed.xls

Highly Confidential



ABBT364018

2001 APRIL UPDATE
GLOBAL PHARMACEUTICAL RESEARCH & DEVELOPMENT
KEY PROJECT SUMMARY
(\$MM)

Actuals thru 2000	FRANCHISES	2001 PLAN	2001 APU	Proposed Adjust	2001 APU REVISED	APU vs PLAN Fav/(Unfav)	COMMENTS
NEUROLOGY							
179.9	Depakote	24.1	24.1	(0.6)	23.5	0.6	Lower Impulsive Aggression costs
136.5	Gabril	1.4	1.4		1.4		No target inc - assume risk of \$0.3MM for CRO payment
52.2	ABT-594 (formerly CCM)	6.5	9.5		9.5		
2.7	CDK - II (ABT-863)	1.2	1.2	0.1	1.3	(0.1)	PARF stability \$2MM (\$5 to confirm amt), offset by target adj
1.6	ABT-089 (formerly ChCM)	0.6	0.6	0.3	0.9	(0.3)	PARF stability (\$5 to confirm amt)
	ABS-103						
	NPS-1776						
	RP Scherer / Alza (Hydrocodone)	4.0	4.0		4.0		
382.9	Subtotal NEUROLOGY	40.6	40.6	(0.2)	40.4	0.2	
ANTI INFECTIVE							
392.8	Clarithromycin	14.9	14.9		14.9		\$0.8MM of task required to achieve target
153.8	Katsfide (ABT-773)	88.0	88.0	1.8	89.6	(1.6)	Fund IV from Ph I \$0.5MM and adj target to detail budget
11.6	Quinolone (ABT-492)	24.5	24.5	(0.2)	24.3	0.2	Adj target to detail budget
	Neuraminidase (ABT-677)						
	Omnicel	4.9	4.9	(0.1)	4.8	0.1	Adj target to detail budget
559.2	Subtotal ANTI INFECTIVE	132.3	132.3	1.3	133.6	(1.3)	
UROLOGY/CARDIOLOGY							
85.7	BPH Backup (ABT-980)	2.3	2.3		2.3		
14.1	Fenofibrate (Fournier)	1.4	1.4	0.6	2.0	(0.6)	Continue PARF stability work (not in 01 Plan target)
12.3	Nippon Shinyaku (NS-49)						
	KCO (ABT-598)	5.0	5.0		5.0		
112.1	Subtotal UROLOGY/CARDIOLOGY	8.7	8.7	0.6	9.3	(0.6)	
HIV							
299.3	Ritonavir	4.0	4.0	0.2	4.2	(0.2)	Warfarin Interaction Study (EU Registration)
215.7	Kaletra	51.0	51.0	1.0	52.0	(1.0)	Stability & Dissolution issues; target still reflects \$1.2MM task
61.0	Cyclosporine	2.5	2.5		2.5		Target reflects \$282M task judgment
576.0	Subtotal HIV	57.5	57.5	1.2	58.7	(1.2)	
CANCER							
96.4	Endothelin (ABT-527)	38.5	38.5	(0.4)	38.4	0.4	Primarily Phase III CRO savings .8MM
11.0	TSP #1 (ABT-510)	10.0	10.0	0.6	10.6	(0.6)	SPD increase (offset in Other-Pilot Plant Excess Cap)
5.6	Metalloproteinase (ABT-518)	7.4	7.4	(0.1)	7.3	0.1	
3.9	Anti-Mitotic (ABT-751)	8.4	8.4	(0.1)	8.3	0.1	
1.0	K-5 (ABT-528)						
	FTI #2						
117.9	Subtotal CANCER	64.6	64.6	(0.0)	64.6		
n/a	Other	86.1	86.1	(2.9)	83.2	2.9	
n/a	Affordability	(9.8)	(9.8)		(9.8)		
n/a	Total Development	380.0	380.0	0.0	380.0	0.0	
n/a	Discovery	192.0	192.0		192.0		
n/a	Total Gross w/o KNOLL**	572.0	572.0	0.0	572.0	0.0	
n/a	KNOLL Projects*	n/a	263.0	263.0	263.0	n/a	

Highly Confidential

ABBT364019

6/6	Total Gross w/KNOLL**	572.0	535.0	263.0	535.0	n/a
-----	-----------------------	-------	-------	-------	-------	-----

*Knoll Project detail is located in the Knoll tab of the Book
**Excludes Sister Divisions

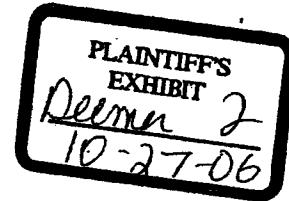
Highly Confidential

ABBT364020

Woidat Deposition Exhibit 4

P's Exhibit

Part 1



RESEARCH FUNDING AGREEMENT

by and between

ABBOTT LABORATORIES

and

JOHN HANCOCK LIFE INSURANCE COMPANY,

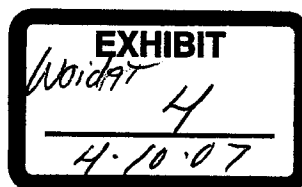
JOHN HANCOCK VARIABLE LIFE INSURANCE COMPANY,

and

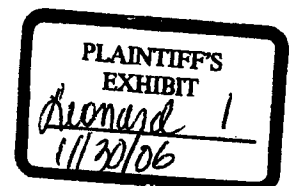
INVESTORS PARTNER LIFE INSURANCE COMPANY

dated as of

March 13, 2001



CONFIDENTIAL
JH 008076



INDEX

INDEX OF DOCUMENTS

<u>Tab No.</u>	<u>Document</u>
1.	Research Funding Agreement dated as of March 13, 2001
2.	Exhibits to Research Funding Agreement
3.	Legal opinion of Brian J. Smith
4.	Proposed Summary of Terms dated June 27, 2000
5.	Miscellaneous Choate, Hall & Stewart memoranda
6.	Miscellaneous Choate, Hall & Stewart memoranda to John Hancock regarding "outstanding issues"
7.	Miscellaneous correspondence between Choate, Hall & Stewart and Abbott Laboratories
8.	Copies of Choate, Hall & Stewart legal bills
9.	Working Group List

CONFIDENTIAL
JH 008077

RESEARCH FUNDING AGREEMENT

by and between

ABBOTT LABORATORIES

and

JOHN HANCOCK LIFE INSURANCE COMPANY,

JOHN HANCOCK VARIABLE LIFE INSURANCE COMPANY,

and

INVESTORS PARTNER LIFE INSURANCE COMPANY

dated as of

March 13, 2001

CONFIDENTIAL
JH 008078

TABLE OF CONTENTS

ARTICLE 1 - DEFINITIONS	1
ARTICLE 2 - ANNUAL RESEARCH PROGRAM	9
2.1 <u>Program Term</u>	9
2.2 <u>Research Plan</u>	9
2.3 <u>Conduct of Research</u>	10
2.4 <u>Subcontracting Research</u>	10
2.5 <u>Research Reports and Records</u>	10
ARTICLE 3 - RESEARCH FUNDING	11
3.1 <u>John Hancock Program Payments</u>	11
3.2 <u>Abbott Funding Obligation</u>	11
3.3 <u>Carryover Provisions</u>	11
3.4 <u>Termination of John Hancock's Program Payment Obligation</u>	12
3.5 <u>Hancock Funding Obligation</u>	13
ARTICLE 4 - PRODUCT RESEARCH AND DEVELOPMENT	13
4.1 <u>Commercially Reasonable Efforts</u>	13
4.2 <u>Marketing and Sale Responsibility</u>	13
4.3 <u>Failure of Program Compound to Progress</u>	14
4.4 <u>Arm's Length</u>	16
4.5 <u>In-License Agreements</u>	16
ARTICLE 5 - PROGRAM INVENTIONS	17
5.1 <u>Ownership</u>	17
5.2 <u>Patent Prosecution and Maintenance</u>	17
5.3 <u>Enforcement</u>	17
ARTICLE 6 - MILESTONE PAYMENTS TO JOHN HANCOCK	17
6.1 <u>[Intentionally omitted]</u>	17
6.2 <u>Management Fee</u>	17
6.3 <u>Milestone Notification and Payments</u>	18
ARTICLE 7 - ROYALTIES	19
7.1 <u>Royalty Rates</u>	19
7.2 <u>Royalty Term</u>	19
ARTICLE 8 - ROYALTY REPORTS AND ACCOUNTING	20
8.1 <u>Reports, Exchange Rates</u>	20
8.2 <u>Audits</u>	20
8.3 <u>Confidential Financial Information</u>	21
8.4 <u>Accounting Principles</u>	21
ARTICLE 9 - PAYMENTS	22
9.1 <u>Payment Terms</u>	22
9.2 <u>Payment Method</u>	22
9.3 <u>Late Payments</u>	22
ARTICLE 10 - CONFIDENTIALITY	22

CONFIDENTIAL
JH 008079

-ii-

10.1	<u>Nondisclosure Obligations</u>	22
10.2	<u>Permitted Disclosures</u>	22
10.3	<u>Publicity Review</u>	23
ARTICLE 11- TERM AND TERMINATION		23
11.1	<u>Expiration</u>	23
11.2	<u>Termination; Material Breach</u>	23
11.3	<u>Effect of Expiration of Termination</u>	24
ARTICLE 12 - WARRANTIES AND INDEMNITY		24
12.1	<u>John Hancock Representations and Warranties</u>	24
12.2	<u>Abbott Representations and Warranties</u>	25
12.3	<u>No Conflict</u>	29
12.4	<u>Compliance with Law</u>	29
12.5	<u>No Other Warranties</u>	29
12.6	<u>Indemnification of John Hancock</u>	29
12.7	<u>Indemnification of John Hancock Relating to In-Licensed Compounds</u>	30
12.8	<u>Procedure</u>	30
12.9	<u>Insurance</u>	31
12.10	<u>Acknowledgment</u>	31
ARTICLE 13 - FORCE MAJEURE		31
ARTICLE 14 - ASSIGNMENT		31
ARTICLE 15 - SEVERABILITY		32
ARTICLE 16 - MISCELLANEOUS		32
16.1	<u>Notices</u>	32
16.2	<u>Applicable Law</u>	34
16.3	<u>Entire Agreement</u>	34
16.4	<u>Headings</u>	34
16.5	<u>Independent Contractors</u>	34
16.6	<u>Performance By Affiliates</u>	35
16.7	<u>Dispute Resolution</u>	35
16.8	<u>Waiver</u>	35
16.9	<u>Counterparts</u>	35

EXHIBIT 1.6:	First Annual Research Plan
EXHIBIT 1.17:	Eisai Territory
EXHIBIT 1.40:	Program Compounds
EXHIBIT 1.43:	Example of Program Related Costs for One Program Compound
EXHIBIT 9.2:	Payment Instructions
EXHIBIT 12.2(d):	Further Information regarding Program Compounds
EXHIBIT 12.2(e):	Certain Patent Information
EXHIBIT 12.2(f):	Communications
EXHIBIT 12.2(i):	Compound Reports

CONFIDENTIAL
JH 008080

RESEARCH FUNDING AGREEMENT

This Research Funding Agreement is made as of March 13, 2001, by and between Abbott Laboratories; an Illinois corporation ("Abbott"), with its principal offices at 100 Abbott Park Road, Abbott Park, Illinois 60064-6049, and John Hancock Life Insurance Company, a Massachusetts corporation, John Hancock Variable Life Insurance Company, a Massachusetts corporation, and Investors Partner Life Insurance Company, a Delaware corporation (collectively, "John Hancock"), each with its principal offices at 200 Clarendon Street, Boston, Massachusetts 02117.

WITNESSETH

WHEREAS, Abbott is a global healthcare company actively engaged in the research and development of human pharmaceutical products;

WHEREAS, Abbott is interested in obtaining additional funding to support such research and development activities with respect to certain pharmaceutical products which are under development; and

WHEREAS, John Hancock is interested in providing such additional funding in exchange for the right to receive future milestone and royalty payments from Abbott.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and undertakings contained herein, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

In addition to the other terms defined elsewhere herein, the following terms shall have the following meanings when used in this Agreement (and any term defined in the singular shall have the same meaning when used in the plural and vice versa, unless stated otherwise):

1.1 "Affiliate" shall mean, with respect to each party, any corporation or other form of business organization, which directly or indirectly owns, controls, is controlled by, or is under common control with, such party. An entity shall be regarded as being in control of another entity if the former entity has the direct or indirect power to order or cause the direction of the policies of the other entity whether (i) through the ownership of more than fifty percent (50%) in the United States, or thirty percent (30%) or more outside the United States, of the outstanding voting securities (or other ownership interest for a business organization other than a corporation) of that entity; or (ii) by contract, statute, regulation or otherwise.

1.2 "Aggregate Carryover Amount" shall have the meaning given in Section 3.3.

-2-

1.3 "Aggregate Spending Target" shall mean Six Hundred Fourteen Million Dollars (\$614,000,000).

1.4 "Annual Carryover Amount" shall have the meaning given in Section 3.3.

1.5 "Annual Minimum Spending Target" for each Program Year, shall mean the sum of (i) the Program Payment of John Hancock for such Program Year as specified in Section 3.1, (ii) Fifty Million Dollars (\$50,000,000), and (iii) any Annual Carryover Amount for the prior Program Year pursuant to Section 3.3. With respect to the fifth Program Year, the "Annual Minimum Spending Target" shall mean the Annual Carryover Amount for the prior Program Year pursuant to Section 3.3.

1.6 "Annual Research Plan" shall mean, for the Program Years in the Program Term, a reasonably and consistently detailed statement of the objectives, activities, timetable and budget for the Research Program for every Program Year remaining in the Program Term, it being understood that less detail shall be required for Program Years that are not the current Program Year. The first Annual Research Plan is attached as Exhibit 1.6. "Annual Research Plan" shall mean, for those years occurring after the expiration of the Program Term, a reasonably and consistently detailed statement of the objectives, activities, timetable and budget for the Research Program for such year only.

1.7 "Bundled Product" shall have the meaning given in paragraph (b) of the definition of Net Sales.

1.8 "Ceased Program" shall mean at least one year has elapsed since Abbott ceased its directed efforts with respect to the applicable Preclinical Program (FTI Program, ED Program or MMPI Program), meaning that Abbott has eliminated the funding for the established research program identified by a core group of researchers dedicated to the applicable Preclinical Program. The continued existence of a researcher separate and apart from such core group shall not affect the determination that a Preclinical Program has ceased.

1.9 "Combination Product" shall mean any product containing one or more Program Compounds combined as a single pharmaceutical product with one or more other therapeutically active ingredients.

1.10 "Commercially Reasonable Efforts" shall mean efforts which are consistent with those normally used by other pharmaceutical companies with respect to other pharmaceutical compounds or products which are of comparable potential commercial value and market potential at a similar stage of development or product life, taking into account, without limitation, issues of safety and efficacy, compound or product profile, proprietary status, the regulatory environment and the status of the compound or product and other relevant scientific factors.

1.11 "Compound Reports" shall have the meaning given in Section 12.2(i).

-3-

1.12 "Confidential Information" shall have the meaning given in Section 10.2.

1.13 "Delivery System Product" shall have the meaning given in paragraph (d) of the definition of Net Sales.

1.14 "Dollars" or "\$" shall mean United States dollars.

1.15 "ED Program" shall mean all of Abbott's discovery efforts to identify compounds (including the identification of pre-clinical and development compounds owned by third parties) which modulate dopamine receptors for the purpose of treating erectile dysfunction.

1.16 "Eisai Agreement" shall mean the License Agreement dated June 29, 2000 between Eisai Co., Ltd. and Abbott related to the Program Compound known as ABT-751.

1.17 "Eisai Territory" shall mean the countries listed on Exhibit 1.17 hereto.

1.18 "Execution Date" shall mean the date set forth in the introductory paragraph to this Agreement.

1.19 [Intentionally Omitted.]

1.20 "FDA" shall mean the U.S. Food and Drug Administration or any successor entity thereto.

1.21 "First Commercial Sale" shall mean the first sale of a Product in a given country by Abbott, its Affiliates or Licensees to an unaffiliated third person after Regulatory Approval has been granted in such country.

1.22 "FTI Program" shall mean all of Abbott's discovery efforts to identify compounds (including the identification of pre-clinical and development compounds owned by third parties) which act as farnesyl transferase inhibitors for the purpose of treating cancer.

1.23 "In-License Agreements" shall mean the Eisai Agreement, the Wakunaga Agreement and the Taisho Agreement.

1.24 "International Territory" shall mean all areas of the world outside the U.S. Territory.

1.25 "Investigational New Drug Application" shall mean an investigational new drug application filed with the FDA in order to commence human clinical testing of a drug in the United States.

CONFIDENTIAL
JH 008083

-4-

1.26 "Licensee" shall mean any party licensed or otherwise authorized in writing by Abbott, its Affiliates or its licensees to market, distribute or sell Products and from whom Abbott receives a royalty or other payment based upon sales of Products by such party, its affiliates or its licensees (it being understood that a party that is a merely a distributor, wholesaler or similar reseller of Products is not a Licensee hereunder). In no case shall Eisai Co., Ltd. or Taisho Pharmaceutical Co., Ltd. be considered Licensees under the terms of the Eisai Agreement or Taisho Co-Development Agreement with respect to the Eisai Territory or Japan, respectively.

1.27 "Losses" shall mean any claims, demands, liabilities, costs, damages, judgments, settlements and other reasonable expenses (including attorneys' fees).

1.28 "Milestone Payment" shall have the meaning given in Section 6.3.

1.29 "MMPI Program" shall mean all of Abbott's discovery efforts to identify compounds (including the identification of pre-clinical and development compounds owned by third parties) that inhibit matrix metalloproteinase and treat cancer.

1.30 "NDA" shall mean a New Drug Application (as defined by the FDA) filed with the FDA for the purpose of obtaining Regulatory Approval of a Product in the U.S. Territory.

1.31 "Net Sales" shall mean:

- (a) the total gross sales of the Products (or, for purposes of clauses (b) and (c), the Bundled Products and Combination Products), in each case as set forth on the invoices for such sales by Abbott, its Affiliates and Licensees to unaffiliated third parties in any given period, plus, if applicable, the fair market value of all properties and services received in consideration of a sale of the Products (or, for purposes of clauses (b) and (c), the Bundled Products and Combination Products) by Abbott, its Affiliates and Licensees to unaffiliated third parties during such period, less the following deductions directly paid or actually incurred by Abbott, its Affiliates or Licensees during such period with respect to the sale of the Products (or, for purposes of clauses (b) and (c), the Bundled Products and Combination Products) to the extent included in the gross invoiced sales price therefor:
 - (i) discounts, credits, rebates, allowances, adjustments, rejections, recalls and returns;
 - (ii) price reductions or rebates, retroactive or otherwise, imposed by government authorities;
 - (iii) sales, excise, turnover, inventory, value-added and similar taxes assessed on the royalty-bearing sale of Products;

-5-

- (iv) transportation, importation, insurance and other handling expenses directly chargeable to the royalty-bearing sale of Products;
 - (v) charge backs granted to unaffiliated drug wholesalers; and
 - (vi) the portion of management fees paid to unaffiliated group purchasing organizations that relate specifically to the royalty-bearing sale of Products.
- (b) With respect to a Product which is sold together with any other products and/or services in a country at a unit price, whether packaged together or separately (a "Bundled Product"), the Net Sales of such Bundled Product shall first be calculated in accordance with the definition of Net Sales under paragraph (a), and then the Net Sales of such Bundled Product shall be determined on a country-by-country basis as follows:
- (i) multiply the Net Sales of such Bundled Product in such country by the fraction $A/(A+B)$ where A is the average selling price of such Product in such country when sold separately and B is the total of the average selling prices in such country of each such other product(s) and/or service(s) in such Bundled Product when sold separately; or
 - (ii) if (x) either the average selling price of such Product or the total of the average selling prices of each such other products and/or services in such Bundled Product in such country is not available as of such date or (y) such Product is not sold separately in such country, multiply the Net Sales of such Bundled Product in such country by a percentage determined by the mutual agreement of the Parties which represents the proportionate economic value in such country of such Product relative to the economic value in such country contributed by the other products and/or services in such Bundled Product.
- (c) With respect to a Combination Product, the Net Sales of such Combination Product shall first be calculated in accordance with the definition of Net Sales under paragraph (a), and then the Net Sales of such Combination Product shall be determined on a country-by-country basis as follows:
- (i) multiply the Net Sales of such Combination Product in such country by the fraction $A/(A+B)$, where A is the total of the average selling prices of the Program Compounds in such

Woidat Deposition Exhibit 4

P's Exhibit

Part 2

-6-

Combination Product when sold separately in such country and B is the total of the average selling prices of each other therapeutically active ingredient when sold alone as a pharmaceutical product in such country; or

- (ii) if (x) either the average selling price of all Program Compounds in such Combination Product or the total of the average selling prices of each other therapeutically active ingredient in such Combination Product in such country is not available or (y) such Program Compounds are not sold separately in such country, multiply the Net Sales of such Combination Product by a percentage determined by mutual agreement of the Parties, which represents the proportionate economic value in such country of all Program Compounds in such Combination Product relative to the economic value in such country contributed by all other therapeutically active ingredients in such Combination Product.

- (d) For purposes of this paragraph (d), a "Premium Delivery System" means any delivery system comprising device(s), equipment, instrumentation or other non-ingestible components (but not solely containers or packaging) designed to assist in the administration of a Product, such as the Abbott ADD-Vantage® System. With respect to a Product which is sold together with a Premium Delivery System (a "Delivery System Product") in a country at a unit price, the Net Sales of such Delivery System Product shall first be calculated in accordance with the definition of Net Sales under paragraph (a), and then the Net Sales of such Product shall be determined on a country-by-country basis as follows:

- (i) if the Product is sold separately without the Premium Delivery System in a country, reduce the Net Sales of such Delivery System Product in such country by the amount that the average selling price of the Delivery System Product in such country exceeds the average selling price of such Product as sold separately in such country; or
- (ii) if the Product is not sold separately without the Premium Delivery System in such country, reduce Net Sales of such Delivery System Product by an amount, determined by mutual agreement of the Parties, which represents the proportionate economic value in such country added by the Premium Delivery System.

- (e) Net Sales shall not include any sales of Products containing one Program Compound (and no other Program Compound) known as (i) ABT-751 by Eisai Co. Ltd., its affiliates or licensees in the Eisai Territory or (ii) ABT-

-7-

773 by Taisho Pharmaceutical Co., Ltd., its affiliates or licensees in Japan. Notwithstanding the foregoing sentence, Net Sales shall include in all instances sales by such parties of such products that are outside such territories, respectively.

1.32 "Parties" shall mean Abbott and John Hancock.

1.33 "Patents" shall have the meaning set forth in Section 12.2(e).

1.34 "Phase I Clinical Trial" shall mean a clinical trial of a Program Compound which utilizes a limited number of human beings preliminarily to address safety and to determine what doses can be safely tolerated.

1.35 "Phase II Clinical Trial" shall mean a controlled clinical trial, the primary objective of which is to ascertain additional data regarding the safety and tolerance of one of the Program Compounds and preliminary data regarding such Program Compound's efficacy.

1.36 "Phase III Clinical Trial" shall mean one or a series of controlled pivotal studies of a specific Program Compound by administration of such Program Compound to human beings where the principal purpose of such trial is to provide confirmatory safety and efficacy data necessary to support the filing for Regulatory Approval of a Product.

1.37 "Preclinical Programs" shall mean the following preclinical and clinical programs with potential backup compounds in accordance with Section 4.3(a): the FTI Program, the ED Program and the MMPI Program.

1.38 "Premium Delivery System" shall have the meaning given in paragraph (d) of the definition of Net Sales.

1.39 "Product" shall mean any product containing one or more of the Program Compounds as an active ingredient, alone or in combination with other active ingredients (including any Bundled Product and any Combination Product).

1.40 "Program Compounds" shall mean (i) the compounds listed on Exhibit 1.40; (ii) the first compound (the selection of which shall be consistent with Abbott using Commercially Reasonable Efforts) from each of the Preclinical Programs to enter Phase I Clinical Trial; (iii) any compounds or products substituted or added by Section 4.3; (iv) all line extensions and formulations of the foregoing; and (v) all analogs, isomers, improvements, derivatives and modifications of the foregoing unless such analog, isomer, improvement, derivative or modification would be considered a new chemical entity and required by the FDA to reenter Phase I Clinical Trial. A compound or product shall be considered a Program Compound regardless of the indication for which it is used.

1.41 "Program Inventions" shall have the meaning given in Section 5.1.

-8-

1.42 "Program Payments" shall have the meaning given in Section 3.1.

1.43 "Program Related Costs" shall mean (i) all direct and indirect costs and expenses that are incurred by Abbott on the Research Program during a given Program Year and allocated in a manner consistent with Abbott's internal, pharmaceutical products division-wide allocation procedures; and (ii) the milestone and license fees paid during a given Program Year or during any extension period of the Program Term by Abbott to (a) Eisai Co. Ltd. (not to exceed Eighteen Million Dollars (\$18,000,000) in the aggregate with respect to the Program Compound known as ABT-751 pursuant to the Eisai Agreement) and (b) Wakunaga Pharmaceutical Co., Ltd. (not to exceed Twenty Seven Million Five Hundred Thousand Dollars (\$27,500,000) in the aggregate with respect to the Program Compound known as ABT-492 pursuant to the Wakunaga Agreement). Any payments made by Abbott to John Hancock pursuant to Sections 6.2 and 6.3(a), (b), (c), (d) and (e) shall constitute Program Related Costs. Any payment made by Abbott to John Hancock pursuant to Section 6.3(f) shall not constitute Program Related Costs. Set forth on Exhibit 1.43 is an example of the calculation of Program Related Costs for a particular Program Compound.

1.44 "Program Term" shall mean a period of four (4) consecutive Program Years.

1.45 "Program Year" shall mean a period of twelve (12) consecutive calendar months commencing on January 1 of each year, except that the first Program Year shall commence on the Execution Date and end on December 31, 2001.

1.46 "Quarterly Reporting Period" shall mean the calendar quarter with respect to the U.S. Territory together with the fiscal quarter ending on the final day of February, May, August and November (as the case may be) with respect to the International Territory. For example, the Quarterly Reporting Period that comprises the second calendar quarter with respect to the U.S. Territory also includes the period from March 1 through May 31 with respect to the International Territory. If Abbott adopts the calendar year as its fiscal year for the International Territory, then the Quarterly Reporting Period for the International Territory shall also be the calendar quarter.

1.47 "Research Program" shall mean all of Abbott's, its Affiliates' and Subcontractors' activities directed towards obtaining Regulatory Approval for the Products, including research, development, safety and efficacy studies, clinical trials, process development, formulation work, regulatory, quality, data collection and analysis and project management.

1.48 "Regulatory Approval" shall mean: (i) with respect to the U.S. Territory, the receipt of approval from the FDA to market a Product in the U.S. Territory; and (ii) with respect to any country in the International Territory, receipt of the governmental approvals required to market a Product in such country, including any pricing and reimbursement authorization required in such country.

CONFIDENTIAL
JH 008088

-9-

1.49 "Replacement Compound" shall mean a compound (i) made available to Abbott as a result of any transaction involving Abbott or its Affiliates (whether by merger, acquisition or sale of assets or equity, or by license or otherwise), (ii) used for the same class of indications as the Ceased Compound (for example, anti-infectives, cancer, cardiovascular or pain), and (iii) having at least the current and projected potential commercial value to John Hancock as the Ceased Compound.

1.50 "Royalty Term" shall mean, with respect to each Product in each country, a period of ten (10) years from the later of (x) the date of First Commercial Sale of such Product in such country and (y) the two year anniversary of the Execution Date; provided that (i) the obligation to make royalty payments on the Product shall not begin until the two-year anniversary of the Execution Date (and only with respect to Net Sales occurring on or after such date) and (ii) Abbott's obligation to make royalty payments shall cease on December 31, 2015.

1.51 "Subcontractor" shall have the meaning given in Section 2.4.

1.52 "Taisho Agreement" shall mean the Co-Development Agreement dated September 30, 1997 between Taisho Pharmaceutical Co., Ltd. and Abbott related to the Program Compound known as ABT-773.

1.53 "Territory" shall mean both the U.S. Territory and the International Territory, excluding the Eisai Territory with respect to the Program Compound known as ABT-751.

1.54 "U.S. Territory" shall mean the United States of America, excluding Puerto Rico and the U.S. Virgin Islands.

1.55 "Wakunaga Agreement" shall mean the License Agreement dated December 1, 1999 between Wakunaga Pharmaceutical Co., Ltd. and Abbott related to the Program Compound known as ABT-492.

ARTICLE 2 ANNUAL RESEARCH PROGRAM

2.1 Research Program Term. The Research Program shall be conducted by Abbott during the Program Term, and beyond the Program Term until Abbott either abandons development in accordance with the terms hereof or receives Regulatory Approval for each Program Compound, or some combination thereof.

2.2 Research Plan. The Research Program shall be conducted by Abbott in each Program Year in accordance with the Annual Research Plan for such Program Year. The Annual Research Plan will be provided to John Hancock until Abbott either abandons development in accordance with the terms hereof, or receives Regulatory Approval for, each Program Compound in the U.S. Territory, or some combination thereof. The Annual Research Plan shall be prepared

-10-

by Abbott and presented to John Hancock at least forty-five (45) days prior to the start of each Program Year. The first Annual Research Plan is attached as Exhibit 1.6. Abbott may modify the Annual Research Plan from time to time in order to best meet the objectives of the Research Program. Any such modifications to the Annual Research Plan shall be promptly provided to John Hancock. In addition, Abbott shall provide an Annual Research Plan for each year after the end of the Program Term as long as there is an active research program for any Program Compounds.

2.3 Conduct of Research. Abbott shall use Commercially Reasonable Efforts to conduct the Research Program in good scientific manner and using good laboratory practices, to achieve the objectives of the Research Program efficiently and expeditiously and to comply with all applicable laws and regulations. Notwithstanding anything in this Agreement to the contrary, Abbott does not represent, warrant or guarantee that the Research Program will be successful in whole or in part or result in the registration or commercialization of any pharmaceutical products or that any Products obtaining Regulatory Approval will be a commercial success.

2.4 Subcontracting Research. Abbott may subcontract or outsource to Affiliates or third persons (each, a "Subcontractor") any portion of the Annual Research Plan. Consistent with Abbott's past practices, each Subcontractor shall enter into a confidentiality agreement with Abbott and agreements pursuant to which such Subcontractor is required to comply with all applicable laws and regulations, including conducting the Research Program in good scientific manner and using good laboratory practices, with respect to its work on the Research Program. Abbott shall supervise and be responsible under this Agreement for the work of each such Subcontractor on the Research Program and no subcontracting or outsourcing shall relieve Abbott of any of its obligations hereunder.

2.5 Research Reports and Records. Abbott shall, no later than thirty (30) days before the last day of each Program Year, provide John Hancock with a reasonably detailed report setting forth the status of the Research Program and all Program Related Costs expended by Abbott during such Program Year. The Program Related Costs set forth in such report may include good faith estimates with respect to the last three (3) months of the Program Year, provided that the report under this Section 2.5 for the following Program Year contains the actual Program Related Costs for that three (3) month period. Such report shall also contain such other information related thereto as John Hancock may reasonably request from time to time. Abbott shall, and shall cause each Subcontractor to, maintain complete and accurate records, in sufficient detail and in good scientific manner appropriate for patent and regulatory purposes and for purposes of demonstrating compliance with the terms hereof, that fully and properly reflect all work done, results achieved and Program Related Costs expended in performance of the Research Program. The books and records of Abbott and each Subcontractor related to the Research Program, including, without limitation, those related to the expenditure of Program Related Costs, shall be subject to copying, inspection and audit by (and at the expense of) John Hancock at any time and from time to time. Such audit shall occur upon reasonable notice and during normal business hours by an independent auditor selected by John Hancock and reasonably acceptable to Abbott. John Hancock and its independent auditor shall maintain such

-11-

records and information of Abbott in confidence in accordance with Article 10 and shall not use such records or information except to the extent permitted by this Agreement, including any enforcement of the provisions hereof. In the event that such audit reveals any material breach of Abbott's responsibilities hereunder, Abbott shall (i) pay the reasonable fees and expenses charged by such auditor, and (ii) fully and promptly cure such breach.

ARTICLE 3 RESEARCH FUNDING

3.1 John Hancock Program Payments. John Hancock shall make the following installment payments on the applicable payment date (the "Payment Date"), for the applicable Program Year, to Abbott to help support the Research Program (the "Program Payments"):

<u>Payment Date</u>	<u>Amount</u>	<u>Program Year</u>
December 1, 2001	\$50,000,000	First
December 1, 2002	\$54,000,000	Second
December 1, 2003	\$58,000,000	Third
December 1, 2004	\$52,000,000	Fourth

All Program Payments shall be expended by Abbott on Program Related Costs and for no other purpose. If John Hancock has not received at least thirty (30) days prior to the Payment Date both (i) the Annual Research Plan for such year and (ii) the report described in Section 2.5 for the previous Program Year, then John Hancock's obligation to make the Program Payment due on such Payment Date shall be suspended until thirty (30) days have elapsed from the date of John Hancock's receipt of both such Annual Research Plan and report.

3.2 Abbott Funding Obligation. Abbott shall spend on Program Related Costs: (i) during each Program Year, at least the Annual Minimum Spending Target for such Program Year and (ii) at least the Aggregate Spending Target during the Program Term. John Hancock's sole and exclusive remedies for Abbott's failure to fund the Research Program in accordance with this Section 3.2 (but not for any other breach of Abbott's other obligations hereunder) are set forth in Sections 3.3 and 3.4.

3.3 Carryover Provisions. Abbott shall be permitted to change its funding obligations under Section 3.2 only as follows:

- (a) If in any Program Year Abbott spends on Program Related Costs, the full amount of the Program Payment provided by John Hancock for such Program Year, but does not spend the full amount of the Annual Minimum Spending Target for such Program Year (including any Annual Carryover Amounts from any prior Program Years), Abbott will spend on Program Related Costs the difference between its expenditure on Program Related Costs for such Program Year and the Annual Minimum Spending Target

-12-

for such Program Year (the "Annual Carryover Amount") in the subsequent Program Year. John Hancock's obligation to make any Program Payment for such subsequent Program Year, if any, pursuant to Section 3.1, shall be deferred until the time that Abbott has spent and notifies John Hancock that it has spent the Annual Carryover Amount in such subsequent Program Year; and

- (b) If Abbott does not expend on Program Related Costs the full amount of the Aggregate Spending Target during the Program Term, Abbott will expend the difference between its expenditures for Program Related Costs during the Program Term and the Aggregate Spending Target (the "Aggregate Carryover Amount") on Program Related Costs during the subsequent year commencing immediately after the end of the Program Term. If Abbott does not spend the Aggregate Carryover Amount on Program Related Costs during such subsequent year, Abbott will pay to John Hancock one-third of the Aggregate Carryover Amount that remains unspent by Abbott, within thirty (30) days after the end of such subsequent year.

3.4 Termination of John Hancock's Program Payment Obligation. If Abbott: (i) abandons development of all Preclinical Programs and Program Compounds in any Program Year during the Program Term (it being understood that such abandonment need not occur entirely in one Program Year); (ii) does not expend on Program Related Costs during any Program Year the full amount of the Program Payment made by John Hancock for such Program Year; (iii) does not reasonably demonstrate in its Annual Research Plan, its intent and reasonable expectation to expend on Program Related Costs during the next Program Year an amount in excess of the Program Payment to be provided by John Hancock for such year; or (iv) does not reasonably demonstrate in its Annual Research Plan its intent and reasonable expectation to expend on Program Related Costs during the Program Term an amount in excess of the Aggregate Spending Target, John Hancock's obligation to make any remaining Program Payments for any succeeding Program Years pursuant to Section 3.1 shall terminate. For the avoidance of doubt, the Program Payments for the Program Year in which such event occurs shall still be due and payable, adjusted only as set forth in the next sentence, if applicable. In addition, in the case of either (i) or (ii) above, Abbott shall (not later than the 10th day following such event) pay to John Hancock (x) the amount, if any, by which the Program Payment made by John Hancock for such year (in the case of (i) above meaning the Program Year in which all Preclinical Programs and Program Compounds were finally abandoned), if any, exceeds one-half of the Program Related Costs actually spent by Abbott during that Program Year and (y) such additional amount that, after giving effect to the payments referred to in this sentence, causes the Program Related Costs for all years in the Program Term to date to have been funded one-third (1/3) by John Hancock and two-thirds (2/3) by Abbott.

3.5 Hancock Funding Obligation. John Hancock's entire obligation hereunder shall be limited to providing the Program Payments set forth in Section 3.1. Abbott shall be solely

-13-

responsible for funding all Program Related Costs in excess of the Program Payments from John Hancock.

ARTICLE 4 PRODUCT RESEARCH AND DEVELOPMENT

4.1 Commercially Reasonable Efforts. Abbott shall be solely responsible for the clinical development, government approval, manufacturing, marketing, sales and distribution of Products. Abbott will use, and will cause each of its Affiliates and Licensees to use, Commercially Reasonable Efforts to pursue the clinical development, government approval, manufacturing, marketing, sales and distribution of Products throughout the Territory. The obligations of Abbott, its Affiliates and Licensees with respect to any Product under this Article 4 are expressly conditioned upon the safety, efficacy and commercial feasibility of each Product, consistent with using Commercially Reasonable Efforts, but no license, assignment or other transfer of rights by Abbott will modify or reduce Abbott's obligations hereunder (except as set forth in Article 14). It is the parties' expectation that under normal circumstances Abbott will file for Regulatory Approval with respect to each Product in Europe within two (2) years from the date of the NDA filing for such Product in the U.S. Territory and in Japan within five (5) years from such NDA filing date; provided, however, that these time frames may be extended or otherwise altered based upon unforeseen circumstances that legitimately impact such regulatory filings in such foreign jurisdictions.

4.2 Marketing and Sale Responsibility. Without limiting the generality of Section 4.1, within six (6) months of obtaining Regulatory Approval for a Product in a given country, Abbott, its Affiliates or Licensees shall commence to market and sell such Product in such country. Abbott's obligation to market and sell a Product shall not apply to a Product in any country if Abbott has not commenced or has ceased marketing and selling such Product in such country substantially on account of adverse business or financial conditions caused by the regulatory authorities or other governmental authorities of such country (including not commencing marketing and selling in a country where the regulatory authorities have price or reimbursement approval and the price or reimbursement approval or that proposed by the regulatory authorities or government authorities is unacceptable to Abbott) which causes the marketing and sale of such Product in such country to be contrary to the financial best interests of John Hancock and Abbott; provided, however, that Abbott, its Affiliates or Licensees shall commence or resume marketing and sale of such Product in such country as soon as reasonably practical after such adverse business or financial conditions cease to exist.

4.3 Failure of Program Compound to Progress.

CONFIDENTIAL
JH 008093

- (a) Preclinical Programs: ED Program, FTI Program and MMPi Program.
With respect to any Program Compound resulting from a Preclinical Program that Abbott ceases to develop past Phase I Clinical Trial (i.e., does not enter a Phase II Clinical Trial) (a "Failed Early Stage Program

-14-

Compound"), for which Abbott or its Affiliates has or will have one or more other compounds in such respective Preclinical Program (which includes all in-licensed compounds not yet approved for marketing), the next compound to enter Phase I Clinical Trials from such Preclinical Program shall be considered a Program Compound in all respects hereunder, as of the date of the cessation of such Failed Early Stage Program Compound; provided however, with respect to each Preclinical Program, there shall be no more than three Program Compounds substituted under this Section 4.3(a) (for an aggregate maximum of nine (9) such substitutions for all Preclinical Programs). At the time a Preclinical Program becomes a Ceased Program, Abbott shall have no further obligation to provide a substitute for a Failed Early Stage Program Compound.

- (b) Failure of ABT-492 or ABT-510 to Yield a Compound that Enters a Phase II Clinical Trial. If (i) ABT-492 fails to enter a Phase II Clinical Trial, or (ii) ABT-510 fails to enter a Phase II Clinical Trial, then within six (6) months after the failure of the first such Program Compound to enter a Phase II Clinical Trial, Abbott shall substitute a compound in a Phase II Clinical Trial having a commercial value not less than that currently expected for ABT-492 and ABT-510, respectively (as of the date of execution of this Agreement).
- (c) Cessation as a Result of an Acquired Replacement Compound. If Abbott ceases or substantially ceases developing, marketing or selling any Program Compound (that is in Phase I or beyond) or Product (a "Ceased Compound"), and if such cessation or substantial cessation is a result of Abbott's acquisition of a Replacement Compound, then the Replacement Compound shall be considered a Program Compound and/or Product from the date of such acquisition and the Ceased Compound shall no longer be considered a Program Compound.

In the event that the Replacement Compound has been approved for marketing by the FDA and the Ceased Compound has not been approved for marketing by the FDA as of the date of such acquisition, Section 4.3(d) shall apply and the first paragraph of this Section 4.3(c) shall not apply.

In the event that the Ceased Compound has been approved for marketing by the FDA as of the date of such acquisition, John Hancock shall have the option, in its sole discretion, to have Abbott maximize the commercial value of the Ceased Compound pursuant to Section 4.3(d) instead of having the Ceased Compound be subject to this Section 4.3(c).

CONFIDENTIAL
JH 008094

-15-

- (d) Cessation for Reasons Other than Section 4.3(c). If a Program Compound (that is in Phase I or beyond) or Product becomes a Ceased Compound for any reason not as a result of the acquisition of a Replacement Compound as set forth in Section 4.3(c) above and provided that such Ceased Compound has commercial value, then
- (i) as soon as is practicable Abbott shall maximize the commercial value, if any, of the Ceased Compound to both parties by out-licensing or divesting such Ceased Compound to a third party; provided, however, if the out-licensing or divestiture of such Ceased Compound requires the approval of Taisho Pharmaceutical Co., Ltd. (in the case of Program Compound ABT-773), Eisai Co., Ltd. (in the case of Program Compound ABT-751) or Wakunaga Pharmaceutical Co., Ltd. (in the case of Program Compound ABT-492), pursuant to the respective In-License Agreement, and such entity does not grant such approval, then Abbott shall within a reasonable period of time but not more than three months substitute a compound (which shall thereupon become a "Program Compound") having at least the current and projected potential commercial value as such Ceased Compound;
 - (ii) John Hancock shall be permitted (but have no obligation) to assist in such out-license and/or divestiture effort; and
 - (iii) Abbott shall remunerate John Hancock based on the sales of such Ceased Compound by the third party that has acquired or licensed the Ceased Compound (the "Acquirer") in a manner most consistent with the allocation that would have applied hereunder had such Ceased Compound not been so out-licensed or divested, i.e., in accordance with the royalties and milestones payable hereunder. The appropriate royalty rate payable to John Hancock shall be determined by adding the Acquirer's Net Sales of the Ceased Compound to the total Net Sales of other Products.
- (e) Divestiture. Notwithstanding anything herein to the contrary, Abbott shall not divest or out-license any Program Compound (which shall mean a sale, license or other transfer by Abbott of the right to develop, market and sell any Product containing such Program Compound either (i) in all of North America or (ii) in the countries of Japan and/or the European Union that have at least two-thirds of the total population of Japan and the European Union), without John Hancock's prior written consent, which consent shall not be unreasonably withheld; provided however, if such Program Compound is being divested as a result of direction from the

-16-

Federal Trade Commission to so divest, John Hancock's written consent shall not be required.

- (f) Notice and Information. Abbott shall promptly notify John Hancock upon occurrence of any decision by Abbott to cease or substantially cease developing, marketing or selling any Program Compound or Product. In addition, Abbott shall provide to John Hancock all information reasonably requested by John Hancock related to any Replacement Compound, Program Compound, or Product that is subject to the provisions of this Section 4.3.
- (g) Commercially Reasonable Efforts. Nothing in this Section 4.3 shall lessen any of Abbott's other obligations under this Agreement nor permit Abbott to perform in any manner that is not clearly consistent with using its Commercially Reasonable Efforts hereunder.

4.4 Arm's-Length. Abbott shall not research, develop, manufacture, market, sell, distribute, out-license or otherwise treat any Program Compounds or Products differently, as compared to any other Abbott compounds or products, on account of any of John Hancock's rights hereunder. Furthermore, all distribution agreements, licenses, out-licenses and other agreements relating to the research, development, manufacturing, marketing, sale, distribution, licensing, out-licensing or divestiture of and all other transactions involving any Program Compounds or Products to or with any third party (except to Abbott's Affiliates) shall be on arm's-length terms and conditions.

4.5 In-License Agreements. Abbott shall comply in all material respects with the terms and conditions of the In-License Agreements. Abbott shall not amend the In-License Agreements or waive any of its rights thereunder without John Hancock's prior written consent (such consent not to be unreasonably withheld), unless such amendment or waiver does not have and would not have a material adverse effect on John Hancock's interests hereunder. To the extent that Abbott or any of its Affiliates obtains the right to market, distribute or sell Products containing the Program Compound known as ABT-751 in the Eisai Territory, then sales by Abbott, its Affiliates and Licensees of such Products in such territory shall be included in all respects hereunder (including without limitation in Net Sales and the Territory).

ARTICLE 5 PROGRAM INVENTIONS

CONFIDENTIAL
JH 008096

5.1 Ownership. As between Abbott and John Hancock, all inventions, innovations, ideas, discoveries, technology, know-how, methods, data, applications and products (in each case whether or not patentable) arising from the Research Program or otherwise related to the Program Compounds (collectively, the "Program Inventions") shall be exclusively owned by or assigned to Abbott. Abbott shall not divest, out-license or otherwise transfer any of its right, title

-17-

or interest in or to any Program Inventions which would prevent or impair Abbott's ability to fulfill its obligations to John Hancock under this Agreement.

5.2 Patent Prosecution and Maintenance. To the extent it owns a Program Invention or has the contractual right to pursue patent protection for a Program Invention, Abbott will use Commercially Reasonable Efforts to obtain patent protection for the Program Inventions in the Territory. As between Abbott and John Hancock, Abbott shall be responsible for all costs and expenses and control all decisions related to pursuing such patent protection, including the preparation, filing (foreign and/or domestic), prosecution, issuance and maintenance of patent applications or patents covering Program Inventions.

5.3 Enforcement. As between Abbott and John Hancock, Abbott shall have the sole right and authority to enforce the patents or any other rights arising from the Program Inventions (including without limitation the Patents) against any infringers. If Abbott initiates any action or lawsuit to enforce such patents or other rights, it shall be solely responsible for the cost and expense thereof. Abbott will promptly notify John Hancock at such time as it becomes aware of any infringement activities and of any such enforcement actions or lawsuit, and Abbott will provide information concerning them as reasonably requested by John Hancock. All moneys recovered upon the final judgment or settlement of any such action or lawsuit, less the out-of-pocket cost and expense thereof, shall be allocated between Abbott and John Hancock proportional to Abbott's lost profits and John Hancock's lost royalties as a result of such infringement.

ARTICLE 6 MILESTONE PAYMENTS TO JOHN HANCOCK

6.1 [Intentionally omitted].

6.2 Management Fee. On December 1, 2002, 2003 and 2004, Abbott shall pay to John Hancock a management fee, each of which shall be in the amount of Two Million Dollars (\$2,000,000).

6.3 Milestone Notification and Payments. Abbott shall promptly notify John Hancock of the occurrence any of the following events that give rise to Abbott's obligation to make a payment pursuant to this Section 6.3 (each, a "Milestone Payment"). Except as hereinafter limited, Abbott shall pay the following Milestone Payments to John Hancock in the amounts and at the times set forth below with respect to each Program Compound:

- (a) One Million Dollars (\$1,000,000) shall be paid within thirty (30) days after the allowance by the FDA of each Investigational New Drug Application for such Program Compound;

CONFIDENTIAL
JH 008097

-18-

- (b) Two Million Dollars (\$2,000,000) shall be paid within thirty (30) days after the initiation of each Phase I Clinical Trial with such Program Compound;
- (c) Three Million Dollars (\$3,000,000) shall be paid within thirty (30) days after the initiation of each Phase II Clinical Trial with such Program Compound;
- (d) Four Million Dollars (\$4,000,000) shall be paid within thirty (30) days after the initiation of each Phase III Clinical Trial with such Program Compound; and
- (e) Five Million Dollars (\$5,000,000) shall be paid within thirty (30) days after the filing of each NDA with the FDA for such Program Compound.

In addition, except as hereinafter limited, Abbott shall pay the following Milestone Payments to John Hancock in the amounts and at the times set forth below:

- (f) (i) Twenty Million Dollars (\$20,000,000) shall be paid within thirty (30) days after the Regulatory Approval of the first Product in the U.S. Territory;
- (ii) Ten Million Dollars (\$10,000,000) shall be paid within thirty (30) days after the Regulatory Approval of the second Product in the U.S. Territory; and
- (iii) Ten Million Dollars (\$10,000,000) shall be paid within thirty (30) days after the Regulatory Approval of third Product in the U.S. Territory.

The aggregate of Milestone Payments under Section 6.3(a), (b), (c), (d), and (e) for all Program Compounds shall be limited to Eight Million Dollars (\$8,000,000), and once such aggregate limit has been paid, no further payments shall be due and payable under Sections 6.3(a), (b), (c), (d) or (e).

The aggregate of Milestone Payments under Sections 6.3(a), (b), (c), (d) and (e) for all Program Compounds shall be limited to zero dollars (\$0) during the first Program Year, Two Million Dollars (\$2,000,000) during the second Program Year, and Six Million Dollars (\$6,000,000) during the third Program Year, and once such annual limit has been reached for these particular Program Years, no further payments shall be due under Sections 6.3(a), (b), (c), (d) and (e) for the remainder of such Program Year; provided that any amounts that would have been due to John Hancock but for such annual limits shall be paid in subsequent Program Years so long as the Program Compound to which it relates has not been abandoned, divested or out-licensed by Abbott, subject to the Eight Million Dollar (\$8,000,000) limitation set forth above. Subject to

-19-

the limitations above, the Milestone Payments under Sections 6.3(a), (b), (c), (d) and (e) may be made more than once with respect to each Program Compound.

The aggregate of Milestone Payments under Section 6.3(f) for all Program Compounds shall be limited to Forty Million Dollars (\$40,000,000), and once such aggregate limit has been paid, no further payments shall be due and payable under Section 6.3(f). In addition, Milestone Payments under Section 6.3(f) shall not be paid more than once for any particular Program Compound.

Exhibit 1.40 sets forth the current stage of clinical development for each Program Compound.

ARTICLE 7 ROYALTIES

7.1 Royalty Rates. Subject to the limitation set forth below, Abbott shall pay to John Hancock royalties equal to the following percentages of Net Sales, aggregated on a yearly basis, of all Products in the Territory:

<u>Royalty percentage</u>	<u>Yearly Net Sales (in millions) of all Products in the Territory</u>
8.5% of those Net Sales	up to \$400
and then 4% of those Net Sales	in excess of \$400 up to \$1,000
and then 1% of those Net Sales	in excess of \$1,000 up to \$2,000
and then 0.5% of those Net Sales	in excess of \$2,000

Net Sales shall be aggregated yearly (i) in the case of the U.S. Territory, on a calendar year basis, together with (ii) in the case of the International Territory, on a December 1 to November 30 basis, in each case consistent with the determination of Quarterly Reporting Periods.

7.2 Royalty Term. The duration of the obligation to make royalty payments on each Product shall be determined on a country-by-country basis and shall last for the duration of the Royalty Term in each given country for such Product.

ARTICLE 8 ROYALTY REPORTS AND ACCOUNTING

8.1 Reports. Exchange Rates. With respect to every Quarterly Reporting Period for which Abbott is obligated to pay any royalty hereunder, Abbott shall furnish to John Hancock a single written report for such Quarterly Reporting Period within sixty (60) days after the end of such Quarterly Reporting Period (that is, within sixty (60) days after each March 31, June 30, September 30 and December 31, as the case may be) showing in reasonably specific detail:

CONFIDENTIAL
JH 008099

-20-

- (a) the total gross sales in each country for each Product sold by Abbott, its Affiliates and Licensees in the Territory and the detailed calculation of Net Sales from gross sales in each country for each Product;
- (b) the royalties payable in Dollars, if any, which shall have accrued hereunder;
- (c) the dates of the First Commercial Sale of each Product in any country in the Territory during such Quarterly Reporting Period; and
- (d) the exchange rates used in determining the amount of Dollars.

With respect to sales of Products invoiced in Dollars, the gross sales, Net Sales (including all adjustments and deductions permitted to be made hereunder in calculating the same), and royalties payable shall be expressed in Dollars. With respect to sales of Products invoiced in a currency other than Dollars, the gross sales, Net Sales (including all adjustments and deductions permitted to be made hereunder in calculating the same) and royalties payable shall be expressed in their Dollar equivalent, calculated using the Inter Bank rate set forth in the International Report published by International Reports Inc. as Foreign Exchange Rates quoted in New York on the day nearest the last business day of the Quarterly Reporting Period.

8.2 Audits

- (a) Upon the written request of John Hancock and, in the absence of any breach by Abbott hereunder, not more than once in each calendar year, Abbott shall permit John Hancock and an independent certified public accounting firm of nationally recognized standing, selected by John Hancock and reasonably acceptable to Abbott, at John Hancock's expense, to have access during normal business hours to such of the records of Abbott, its Affiliates and Licensees to verify the accuracy of the royalty reports and the amounts and calculation of any payments required hereunder for any year ending not more than five (5) years prior to the date of such request.
- (b) If such accounting firm concludes that additional royalties or other payments were owed during such period, Abbott shall have the option to invoke the proceedings of Section 16.7 below or pay the additional royalties or other payments within thirty (30) days after the date John Hancock delivers to Abbott such accounting firm's written report so concluding. The reasonable fees and expenses charged by such accounting firm shall be paid by John Hancock; provided, however, if the audit discloses that the amounts payable by Abbott for any Quarterly Reporting Period are more than one hundred five percent (105%) of the royalties

-21-

actually paid for such period, then Abbott shall pay the reasonable fees and expenses charged by such accounting firm.

- (c) Abbott shall cause its Affiliates to, and shall include in each license granted by it relating to a Program Compound or Product a provision requiring the Licensee to, (i) make reports to Abbott, (ii) keep and maintain records of Net Sales made pursuant to such license and (iii) grant access to such records by John Hancock and its accounting firm or other auditor to the same extent required of Abbott under this Agreement.
- (d) All reports and payments not disputed as to correctness by John Hancock within five (5) years after receipt thereof shall thereafter conclusively be deemed correct for all purposes, and Abbott, its Affiliates and Licensees shall be released from any liability or accountability with respect to such reports and payments.

8.3 Confidential Financial Information. John Hancock shall treat all information subject to review under this Article 8, and shall cause its accounting firm to agree to treat all such information, in accordance with the provisions of Article 10.

8.4 Accounting Principles. All accounting hereunder, including without limitation all determinations of gross sales, Net Sales (including all adjustments and deductions permitted to be made hereunder in calculating the same), Program Related Costs and all calculations underlying such determinations, shall be made in accordance with generally accepted accounting principles as in effect in the United States, consistently applied.

ARTICLE 9 PAYMENTS

CONFIDENTIAL
JH 008101

9.1 Payment Terms. With respect to every Quarterly Reporting Period for which Abbott is obligated to pay a royalty hereunder, such royalties shall be due and payable in a single payment within sixty (60) days of the end of such Quarterly Reporting Period (that is, within sixty (60) days of each March 31, June 30, September 30 and December 31, as the case may be). Payment of royalties may be made in advance of such due date.

9.2 Payment Method. All royalties and other payments by Abbott to John Hancock under this Agreement shall be made by bank wire transfer in immediately available funds in accordance with the instructions set forth on Exhibit 9.2 attached hereto or in accordance with such other instructions as John Hancock may give from time to time.

9.3 Late Payments. Each party shall pay interest to the other on the aggregate amount of any payments by it that are not paid on or before the date such payments are due under this Agreement, including, without limitation, any disputed payments or payments resulting from any

-22-

audit, at a rate per annum equal to the lesser of (a) the prime rate of interest plus two hundred (200) basis points as reported by Citibank, N.A. in New York, from time to time (with any change in such reported rate being effective immediately for purposes hereof), or (b) the highest rate permitted by applicable law, calculated on the number of days such payments is delinquent until paid in full in cash. All such amounts shall be payable upon demand.

ARTICLE 10 CONFIDENTIALITY

10.1 Nondisclosure Obligations. Except as otherwise provided in this Article 10, during the term of the Agreement and for a period of ten (10) years thereafter, (a) John Hancock shall maintain in confidence in accordance with such procedures as are adopted by John Hancock to protect its own confidential information and shall use only for purposes of this Agreement (including, without limitation, enforcement of the terms hereof), information and data related to the Program Compounds or Products; and (b) John Hancock shall also maintain in confidence in accordance with such policies, and use only for purposes of this Agreement, all information and data supplied by Abbott under this Agreement, which if disclosed in writing is marked "confidential", if disclosed orally is promptly thereafter summarized and confirmed in writing to the other party and marked "confidential", or if disclosed in some other form is marked "confidential."

10.2 Permitted Disclosures. For purposes of this Article 10, information and data described in clause (a) or (b) above shall be referred to as "Confidential Information". John Hancock may disclose Confidential Information as required by applicable law, regulation or judicial process, provided that John Hancock shall, if legally permitted, give Abbott prompt written notice thereof. The obligation not to disclose or use Confidential Information shall not apply to any part of such Confidential Information that (i) is or becomes patented, published or otherwise part of the public domain other than by acts or omissions of John Hancock in contravention of this Agreement; or (ii) is disclosed to John Hancock by a third party, provided such Confidential Information was not obtained on a confidential basis by such third party from Abbott, its Affiliates or Licensees; or (iii) prior to disclosure under the Agreement, was already in the possession of John Hancock, provided such Confidential Information was not obtained directly or indirectly from Abbott, its Affiliates or Licensees under an ongoing obligation of confidentiality; or (iv) is disclosed in a press release agreed to by both parties under Section 10.3 below.

10.3 Publicity Review. Without the prior written consent of the other party, neither party shall make any statement to the public regarding the execution and/or any other aspect of the subject matter of this Agreement and John Hancock shall not make any statement to the public regarding any work under the Research Program; provided that, Abbott may make statements to the public regarding work done under the Research Program (without reference to or mention of John Hancock) and the commercialization of any Products resulting therefrom in accordance with its standard business practices. John Hancock and Abbott shall not disclose any

-23-

terms or conditions of this Agreement to any third party without the prior consent of the other party, except as set forth above in this Section 10.3 or as required by applicable law, regulation or court order. The parties agree not to issue a press release announcing the execution of this Agreement.

ARTICLE 11 TERM AND TERMINATION

11.1 Expiration. This Agreement shall expire upon satisfaction of Abbott's obligations to pay royalties under Section 7.2 and all other amounts under this Agreement.

11.2 Termination; Material Breach. It is the parties' express intent that consideration shall be given to remedying any breach of this Agreement through the payment of monetary damages or such other legal or equitable remedies as shall be appropriate under the circumstances and that there shall only be a limited right to terminate this Agreement under the following circumstances.

- (a) In the event that the court, in accordance with the procedures set forth in Section 16.2, has issued a ruling that John Hancock has breached its obligation under Section 3.1 of this Agreement (obligation to make payments), and such ruling specified the actions to be taken by John Hancock on account of such breach, and John Hancock has failed to comply with the terms of such ruling within the time period specified therein for compliance and the time for any appeal has expired without the submission of an appeal, then, in addition to all other rights available to Abbott under law and equity, including its right to enforce such ruling in court, Abbott shall have the right to terminate the Agreement as a result of John Hancock's failure to abide by the terms of this Agreement and such ruling.
- (b) In the event that the court, in accordance with the procedures set forth in Section 16.2, has issued a ruling that Abbott has breached a material obligation under this Agreement, and such ruling specified the actions to be taken by Abbott on account of such breach, and Abbott has failed to comply with the terms of such ruling within the time period specified therein for compliance and the time for any appeal has expired without the submission of an appeal, then, in addition to all other rights available to John Hancock under law and equity, including its right to enforce such ruling in court, John Hancock shall have the right to terminate the Agreement, each as a result of Abbott's failure to abide by the terms of this Agreement and such ruling.

CONFIDENTIAL
JH 008103

-24-

11.3 Effect of Expiration or Termination. Expiration or, if applicable, termination of this Agreement shall not relieve the parties of any obligation accruing prior to such expiration or termination. The provisions of Articles 8 (Royalty Reports and Accounting), 10 (Confidentiality), 11 (Term and Termination), 12 (Warranties and Indemnification) and 16 (Miscellaneous) shall survive the expiration or termination of this Agreement.

ARTICLE 12
WARRANTIES AND INDEMNITY

12.1 John Hancock Representations and Warranties. John Hancock represents and warrants to Abbott that as of the Execution Date:

- (a) The execution and delivery of this Agreement and the performance of the transactions contemplated hereby have been duly authorized by all appropriate John Hancock corporate action. This Agreement constitutes John Hancock's valid and binding legal obligation, enforceable against it in accordance with its terms.
- (b) The performance by John Hancock of any of the terms and conditions of this Agreement on its part to be performed does not and will not constitute a breach or violation of its organizational documents or any other material agreement or understanding, written or oral, to which it is a party or any law, statute, rule or regulation by which it is bound.
- (c) No consent, approval, license or authorization of, or designation, declaration or filing with, any court or governmental authority is or will be required on the part of John Hancock in connection with the execution, delivery and performance by John Hancock of this Agreement or any other agreements or instruments executed and delivered by John Hancock in connection herewith or therewith, including, without limitation, any filings pursuant to federal or state securities laws or pursuant to any federal anti-trust laws.
- (d) Neither John Hancock nor any person acting on its behalf (i) has taken or will take any action which would subject this Agreement and the consummation of the transactions contemplated hereby to the registration or qualification requirements of any federal or state securities laws, (ii) has dealt with any broker, finder or other similar person in connection with the transactions contemplated by this Agreement or (iii) is under any obligation to pay any broker's fee, finder's fee or commission in connection with such transactions.

12.2 Abbott Representations and Warranties. Abbott represents and warrants to John Hancock that as of the Execution Date:

-25-

- (a) The execution and delivery of this Agreement and the performance of the transactions contemplated hereby have been duly authorized by all appropriate Abbott corporate action. This Agreement constitutes Abbott's valid and binding legal obligation, enforceable against it in accordance with its terms.
- (b) The performance by Abbott of any of the terms and conditions of this Agreement on its part to be performed does not and will not constitute a breach or violation of its organizational documents or any other agreement or understanding, written or oral, to which it is a party or any law, statute, rule or regulation by which it is bound.
- (c) No consent, approval, license or authorization of, or designation, declaration or filing with, any court or governmental authority is or will be required on the part of Abbott in connection with the execution, delivery and performance by Abbott of this Agreement or any other agreements or instruments executed and delivered by Abbott in connection herewith or therewith, including, without limitation, any filings pursuant to federal or state securities laws or pursuant to any federal anti-trust laws, except those consents, approvals, licenses, authorizations, and other requirements imposed by governmental authorities (both U.S. and foreign) and such declarations and filings with governmental authorities (both U.S. and foreign) required in the normal course of pharmaceutical research, development, marketing and sale.
- (d) Set forth on Exhibit 12.2(d) is the full name, chemical name, detailed description of the stage of development and current status, for each Program Compound. Set forth on Exhibit 1.6 in each Annual Research Plan is a description of projected milestones and dates thereof, projected year of NDA filing, and projected costs to be incurred by Abbott during the Program Term, for each Program Compound. Such projections were prepared in good faith and with due care based on reasonable assumptions, and represent the reasonable estimate of Abbott based on information available as of the date of such projections and as of the date hereof; it being agreed that such projections do not constitute any warranty as to the future performance of the Program Compounds and that actual results may vary from such projections.
- (e) Set forth on Exhibit 12.2(e) is a list and description of all domestic and foreign patents, patent rights, patent applications and all patent applications that are in the process of being prepared that are owned by or registered in the name of Abbott, or of which Abbott is a licensee or in which Abbott has any right, which claim any of the Program Compounds (the "Patents"). Abbott solely owns all of the Patents, except as indicated

-26-

on Exhibit 12.2(e). All of the material Patents have been duly filed in or issued by the United States Patent and Trademark Office or the equivalent foreign patent office identified on Exhibit 12.2(e), as the case may be, and have been properly maintained and renewed in accordance with all applicable laws and regulations. With respect to the Patents that it does not own, Abbott has an exclusive and valid license thereunder to develop, make, have made, use, market and sell (with the right to sublicense) the applicable Program Compounds in the entire Territory; provided however, (i) with respect to Italy, Abbott has such rights that are co-exclusive with Eisai Co. Ltd. for the Program Compound known as ABT-751 and (ii) with respect to Japan, Abbott has such rights that are co-exclusive with Taisho Pharmaceutical Co., Ltd. for the Program Compound known as ABT-773. Except with respect to the Preclinical Programs, to Abbott's knowledge, it is not necessary to obtain or license any patents, patent rights, inventions, copyrights, manufacturing processes, formulae, trade secrets, proprietary rights or know-how that it does not currently have in order to (i) develop, make, have made, use, market and sell the Program Compounds or (ii) conduct the Research Program as heretofore conducted and as proposed to be conducted. Except with respect to those Program Compounds that are the subject of In-License Agreements, the Program Compounds are owned exclusively by Abbott, free and clear of any liens or encumbrances of any other person and, to Abbott's knowledge, Abbott does not require the consent of any other person to develop, make, have made, use, market and sell the Program Compounds.

- (f) Except as set forth in Exhibit 12.2(f) (but in any event, as of the Execution Date, such matters are not, and could not reasonably be expected to be material), Abbott has not received any communications alleging that, and no claim is pending or, to the knowledge of Abbott, threatened to the effect that, the operations of Abbott with respect to the Research Program or the Program Compounds infringe upon or conflict with (or will infringe or conflict with) the asserted rights of any other person under any domestic or foreign patent, trademark, service mark, copyright, trade secret, proprietary right or any other intellectual property right, and, except for the Preclinical Programs, there is no material basis known to Abbott for any such claim (whether or not pending or threatened). No claim is pending or, to the knowledge of Abbott, threatened to the effect that any of the Patents are invalid or unenforceable by Abbott, and there is no material basis known to Abbott for any such claim (whether or not pending or threatened). The publication of any material technical information with respect to the Program Compounds developed by and belonging to Abbott is subject to review and approval under Abbott's existing procedures.
- (g) Except for the In-License Agreements and customary employment and consulting agreements with Abbott's employees and consultants, there are

-27-

no outstanding options, licenses, or agreements of any kind relating to the Patents or any of the Program Compounds or the transactions contemplated by this Agreement, which license the Patents or any technical information developed in the course of the clinical development program to any third party to register, market or sell any of the Program Compounds or Products.

- (h) To the knowledge of Abbott with respect to the Research Program and each of the Program Compounds, Abbott is not now, and in performing its obligations hereunder will not be, in any way making an unlawful or wrongful use of any confidential information, know-how, or trade secrets of any other person.
- (i) Neither this Agreement nor any Exhibit to this Agreement (including the compound reports attached as Exhibit 12.2(i) hereto (the "Compound Reports")) contains any untrue statement of material fact or omits to state any material fact necessary to make the statements contained herein or therein not misleading. There is no fact known to Abbott (other than generally available information concerning the pharmaceutical industry in general) as of the date of this Agreement that has not been disclosed in this Agreement or any Exhibit to this Agreement which has resulted in, or could reasonably be expected to result in, a material adverse effect on the prospects or condition (including safety, efficacy, scientific viability or commercial) of the Research Program or any of the Program Compounds.
- (j) Neither Abbott nor any person acting on its behalf (i) has taken or will take any action which would subject this Agreement and the consummation of the transactions contemplated hereby to the registration or qualification requirements of any federal or state securities laws, (ii) has dealt with any broker, finder or other similar person in connection with the transactions contemplated by this Agreement or (iii) is under any obligation to pay any broker's fee, finder's fee or commission in connection with such transactions.
- (k) Other than generally publicized actions, proceedings or investigations concerning the pharmaceutical industry in general, there is no action, proceeding or investigation pending or, to the knowledge of Abbott, threatened which (i) questions the validity of this Agreement or any action taken or to be taken by Abbott pursuant thereto or (ii) which has resulted in, or could reasonably be expected to result in, a material adverse effect on the prospects or condition (including safety, efficacy, scientific viability or commercial) of the Research Program or any of the Program Compounds.

-28-

- (l) With respect to the Research Program and each of the Program Compounds, Abbott has (and in the future will have) obtained, to the extent permitted by law, from each of its employees, consultants, Affiliates and Subcontractors an agreement that reasonably protects Abbott's interest in the Program Inventions, Program Compounds and Products.
- (m) With respect to each Program Compound, since the date of its respective Compound Report, to the knowledge of Abbott, no condition, circumstance or fact has arisen (other than generally available information concerning the pharmaceutical industry in general) nor has Abbott made any change in the conduct of the Research Program which, individually or in the aggregate, has resulted in, or could reasonably be expected to result in, a material adverse effect on the prospects or condition (including safety, efficacy, scientific viability or commercial) of such Program Compounds.
- (n) Each In-License Agreement is valid, binding and in full force and effect, and there is no event which has occurred or exists, which constitutes or which, with notice and/or the passage of time, would constitute a material default or breach under any such contract by Abbott or, to Abbott's knowledge, any other party thereto, or would cause the acceleration of any obligation of any party thereto or give rise to any right of termination or cancellation thereof. Abbott has no reason to believe that the parties to each In-License Agreement will not fulfill their obligations thereunder in all material respects or that such parties do not have the right to grant the licenses granted thereunder. Abbott has no reason to believe that it will not fulfill its obligations under the In-License Agreements. Under the Eisai Agreement, neither Abbott nor its Affiliates has the right to market, distribute or sell Products containing the Program Compound known as ABT-751 in the Eisai Territory (with the exception of Italy).

12.3 No Conflict. Abbott and John Hancock represent and warrant that this Agreement does not, and will not, conflict with any other right or obligation provided under any other agreement or obligation that Abbott or John Hancock has with or to any third party.

12.4 Compliance with Law. Each party represents and warrants to the other that it will comply with all applicable laws, regulations and guidelines in connection with its performance of its obligations and rights pursuant to this Agreement, including the regulations of the United States and any other relevant nation concerning any export or other transfer of technology, services or products.

12.5 No Other Warranties. EACH PARTY TO THIS AGREEMENT AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT, NEITHER PARTY MAKES ANY OTHER REPRESENTATIONS OR

-29-

WARRANTIES, AND EACH HEREBY DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES MADE BY ITSELF OR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, FINANCIAL AND LEGAL ADVISORS OR OTHER REPRESENTATIVES, WITH RESPECT TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, NOTWITHSTANDING THE DELIVERY OR DISCLOSURE TO THE OTHER OR THE OTHER'S REPRESENTATIVES OF ANY DOCUMENTATION OR OTHER INFORMATION WITH RESPECT TO ANY ONE OR MORE OF THE FOREGOING.

12.6 General Indemnification of John Hancock. Abbott shall indemnify and hold John Hancock and its Affiliates, agents, directors and employees harmless, and hereby forever releases and discharges John Hancock and its Affiliates, agents, directors and employees, from and against all Losses related to or arising out of, directly or indirectly, (i) any negligence, recklessness or intentional misconduct of Abbott or its Affiliates, agents, directors, employees, Subcontractors, licensees (including Licensees) or sublicensees in connection with the Research Program, Program Compounds or Products, or (ii) any manufacture, use, storage, distribution or sale of the Program Compounds or Products by anyone, including without limitation all Losses related to any personal injury or death, or (iii) any breach by Abbott of its representations, warranties or obligations hereunder, or (iv) the consummation of the transactions contemplated hereby, except, in each case, to the extent any such Losses are the result of (A) any breach by John Hancock of its representations, warranties or obligations hereunder, or (B) any negligence, recklessness, or intentional misconduct by John Hancock or its Affiliates, agents, directors, employees.

12.7 Indemnification Relating to Certain In-Licensed Compounds. Abbott shall indemnify and hold John Hancock and its Affiliates, agents, directors and employees harmless, and hereby forever releases and discharges John Hancock and its Affiliates, agents, directors and employees, from and against all Losses to the extent related to or arising out of, directly or indirectly, the fact that Abbott's rights in the Program Compounds known as ABT-773, ABT-492 and ABT-751 and the Patents and other patent rights, copyrights, trade secret rights and other intellectual property rights related thereto arise from the Taisho Agreement, the Wakunaga Agreement or the Eisai Agreement respectively, rather than being owned by Abbott as with the other Program Compounds. Accordingly, by way of example and without limiting the foregoing, Abbott's indemnification obligation under this Section 12.7 will arise upon (i) any impairment of Abbott's ability to perform its obligations under this Agreement in the entire Territory as a result of Abbott's rights to the Program Compounds known as ABT-773, ABT-442 and ABT-751 arising from the Taisho Agreement, Wakunaga Agreement and the Eisai Agreement, respectively or (ii) a breach by Abbott or any other person of any of the In-License Agreements, except, in each case, to the extent any such Losses are the result of (A) any breach by John Hancock of its representations, warranties or obligations hereunder, or (B) any negligence, recklessness, or intentional misconduct by John Hancock or its Affiliates, agents, directors, employees.

12.8 Procedure. If John Hancock or any of its Affiliates, agents, directors or employees (each, an "Indemnitee") intends to claim indemnification under this Article 12, it shall

-30-

promptly notify Abbott (the "Indemnitor") of any Loss or action in respect of which the Indemnitor intends to claim such indemnification, and the Indemnitor shall have the right to participate in, and, to the extent the Indemnitor so desires, to assume the defense thereof with counsel selected by the Indemnitor; provided, however, that an Indemnitor shall have the right to retain its own counsel, with the fees and expenses of such counsel to be paid by the Indemnitor, if representation of such Indemnitor by the counsel retained by the Indemnitor would be inappropriate due to actual or potential differing interests between such Indemnitor and any other party represented by such counsel in such proceedings. The indemnity obligation in this Article 12 shall not apply to amounts paid in settlement of any loss, claim, damage, liability or action if such settlement is effected without the consent of the Indemnitor, which consent shall not be withheld unreasonably or delayed. The failure to deliver notice to the Indemnitor within a reasonable time after the commencement of any such action, if materially prejudicial to its ability to defend such action, shall relieve the Indemnitor of any liability to the Indemnitor under this Article 12 only to the extent arising from the tardiness or absence of such notice, but the omission so to deliver notice to the Indemnitor will not relieve it of any liability that it may have to any Indemnitor otherwise than under this Article 12. The Indemnitor shall cooperate fully with the Indemnitor and its legal representatives in the investigation of any action, claim or liability covered by indemnification under this Article 12, at the expense of the Indemnitor.

12.9 Insurance. Abbott shall at its expense maintain, through self-insurance or otherwise, product liability insurance with respect to the development, manufacture, sale and use of Products and Program Compounds in such amounts and on such terms as Abbott customarily maintains with respect to its other similar products. Abbott shall maintain such insurance for so long as it continues to develop, manufacture or sell any Products or Program Compounds, and thereafter for so long as Abbott customarily currently maintains such insurance.

12.10 Acknowledgment. Abbott and John Hancock acknowledge that Abbott has not delivered or disclosed the contents of any of the In-License Agreements to John Hancock.

ARTICLE 13 FORCE MAJEURE

Neither party shall be held liable or responsible to the other party nor be deemed to have defaulted under or breached this Agreement for failure or delay in fulfilling or performing any term of this Agreement when such failure or delay is caused by or results from causes beyond the reasonable control of the affected party including but not limited to fire, floods, embargoes, war, acts of war (whether war be declared or not), insurrections, riots, civil commotions, strikes, lockouts or other labor disturbances, acts of God or acts, omission or delays in acting by any governmental authority; provided that such affected party shall provide the other party with prompt notice of the circumstances surrounding such a material failure or delay, after which the parties will amend this Agreement upon terms and conditions that are mutually agreeable to equitably account to the party that does not so fail or delay.

CONFIDENTIAL
JH 008110

-31-

ARTICLE 14 ASSIGNMENT

Except as expressly provided hereunder, this Agreement may not be assigned or otherwise transferred, nor may any right or obligations hereunder be assigned or transferred by either party without the consent of the other party; and, in addition, both parties acknowledge and agree that the obligations of Abbott hereunder are personal to Abbott and that Abbott is uniquely qualified to perform them; provided, however, that either party shall be obligated to assign this Agreement and its rights and obligations hereunder in connection with the transfer or sale of all or substantially all of its business, or in the event of its merger or consolidation or change in control or similar transaction and in such event such party shall cause its successor or transferee in such transaction to assume all of the obligations of such party. Any permitted assignee shall assume all obligations of its assignor under this Agreement. Notwithstanding the foregoing, John Hancock shall have the right to assign its rights (but not its obligation to make payments under Section 3.1) in whole or in part (provided that, any assignment in part shall mean an assignment of a pro rata share of the entirety of John Hancock's rights hereunder) without Abbott's consent (and following any such assignment all references to John Hancock herein shall include any such assignee), provided that: (i) each assignee of such rights must be a bank, insurance company or other institutional investor; (ii) there shall be no greater than five (5) assignees; (iii) if any such assignee is located outside the United States John Hancock shall notify Abbott at least sixty (60) days in advance, (iv) if any claim arises with respect to Abbott's failure to make payments, then during the term of the Research Program (but in any event not longer than four years from the date hereof), any such claim must be brought by John Hancock, and not an assignee. In soliciting potential assignees for such right to payments, John Hancock shall not disclose any Confidential Information hereunder to more than ten (10) potential assignees. Any potential assignee to whom John Hancock discloses Confidential Information must have executed a confidentiality agreement no less stringent than Article 10 hereof. Furthermore, if John Hancock plans to exercise its right of assignment hereunder, John Hancock shall first notify Abbott of such plans in writing. Abbott shall have the first right to negotiate the purchase of any such assignment rights. If within fifteen (15) days after receipt of such notice the parties have not agreed upon the principal terms of such arrangement or if within forty-five (45) days after receipt of such notice the parties have not executed a final written agreement reflecting such arrangement, then John Hancock shall have no further obligations to Abbott with respect to such first right of negotiation.

ARTICLE 15 SEVERABILITY

CONFIDENTIAL
JH 008111

Each party hereby agrees that it does not intend its execution and delivery hereof or its performance hereunder to violate any public policy, statutory or common laws, rules, regulations, treaty or decision of any government agency or executive body thereof of any country or community or association of countries. If and to the extent any term or provision of this Agreement is held to be invalid, illegal or unenforceable by a court or other governmental

-32-

authority of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement, which shall remain in full force and effect. The holding of a term or provision to be invalid, illegal or unenforceable in a jurisdiction shall not have any effect on the application of the term or provision in any other jurisdiction.

ARTICLE 16
MISCELLANEOUS

16.1 Notices. Any consent, notice or report required or permitted to be given or made under this Agreement by one of the parties hereto to the other shall be in writing, delivered personally or by facsimile (and promptly confirmed by personal delivery, U.S. first class mail or courier), U.S. first class mail or courier, postage prepared (where applicable), addressed to such other party at its address indicated below, or to such other address as the addressee shall have last furnished in writing to the addressor and (except as otherwise provided in this Agreement) shall be effective upon receipt by the addressee.

If to John Hancock: John Hancock Life Insurance Company
200 Clarendon Street, T-57
Boston, MA 02117
Attention: Bond & Corporate Finance Group
Telephone: 617-572-9624
Fax: 617-572-1628

copy to: John Hancock Life Insurance Company
200 Clarendon Street, T-50
Boston, MA 02117
Attention: Investment Law Division
Telephone: 617-572-9205
Fax: 617-572-9268

and, if it relates to making or not making a royalty payment or Milestone Payment hereunder,

copy to: John Hancock Life Insurance Company
200 Clarendon Street
Boston, MA 02117
Attention: Manager, Investment Accounting Division, B-3
Fax: 617-572-0628

CONFIDENTIAL
JH 008112

-33-

If to Abbott:

Abbott Laboratories
Dept. 309, Bldg. AP30
200 Abbott Park Road
Abbott Park, IL 60064-3537
Attention: President, Pharmaceutical Products Division
Telephone: 847-938-6863
Fax: 847-938-5383

copy to:

General Counsel
Abbott Laboratories
Dept. 364, Bldg. AP6D
100 Abbott Park Road
Abbott Park, IL 60064-6020
Telephone: 847-937-8905
Fax: 847-938-6277

16.2 Applicable Law. The Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois. With respect to any action hereunder, Abbott, to the extent that it may lawfully do so, hereby consents to service of process, and to be sued, in the Commonwealth of Massachusetts and consents to the exclusive jurisdiction of the courts of the Commonwealth of Massachusetts and the United States District Court for the District of Massachusetts, as well as to the jurisdiction of all courts to which an appeal may be taken from such courts, for the purpose of any suit, action or other proceeding arising out of any of its obligations hereunder or thereunder or with respect to the transactions contemplated hereby or thereby, and expressly waives any and all objections it may have as to venue in any such courts. Abbott further agrees that a summons and complaint commencing an action or proceeding in any of such courts shall be properly served and shall confer personal jurisdiction if served personally or by certified mail to it at its address for notices as provided in this Agreement or as otherwise provided under the laws of the Commonwealth of Massachusetts. **THE PARTIES EACH IRREVOCABLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY SUIT, ACTION OR OTHER PROCEEDING INSTITUTED BY OR AGAINST IT IN RESPECT OF ITS OBLIGATIONS HEREUNDER OR THEREUNDER OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.**

16.3 Entire Agreement. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof. All express or implied agreements and understandings, either oral or written, with respect to the subject matter hereof heretofore made are expressly merged in and made a part of this Agreement. This Agreement may be amended, or any term hereof modified, only by a written instrument duly executed by both parties hereto.

16.4 Headings. The captions to the several Articles and Sections hereof are not a part of this Agreement, but are merely guides or labels to assist in locating and reading the several Articles and Sections hereof.

CONFIDENTIAL
JH 008113

-34-

16.5 Independent Contractors. It is expressly agreed that John Hancock and Abbott shall be independent contractors and that the relationship between the two parties shall not constitute a partnership, joint venture or agency. Neither John Hancock nor Abbott shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on the other, without the prior written consent of the other party to do so.

16.6 Performance By Affiliates, Licensees and Subcontractors. The parties recognize that Abbott may carry out certain obligations under this Agreement through performance by its Affiliates, Licensees and Subcontractors (but in no event shall that relieve Abbott of any of its obligations hereunder). Abbott guarantees that the activities of its Affiliates, Licensees and Subcontractors under this Agreement shall comply with this Agreement.

16.7 Dispute Resolution. The parties shall attempt to amicably resolve disputes arising between them regarding the validity, construction, enforceability or performance of the terms of this Agreement, and any differences or disputes in the interpretation of the rights, obligations, liabilities and/or remedies hereunder, which have been identified in a written notice from one party to the other, by good faith settlement discussions between the President of Abbott's Pharmaceutical Products Division and a Managing Director of John Hancock or his designee. The parties agree that, prior to filing any lawsuit regarding any dispute that arises in connection with this Agreement (with the exception of any action demanding a preliminary injunction), such representatives shall meet and attempt to amicably resolve such dispute within thirty (30) days after the receipt of such written notice.

16.8 Waiver. The waiver by either party hereto of any right hereunder or the failure to perform or of a breach by the other party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other party whether of a similar nature or otherwise.

16.9 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[the remainder of this page is intentionally blank]

CONFIDENTIAL
JH 008114

-35-

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

JOHN HANCOCK LIFE
INSURANCE COMPANY

ABBOTT LABORATORIES

By: Stephen J. Blewitt
Name: Stephen J. Blewitt
Title: Managing Director
Date: March 13, 2001

By: Jeffrey M. Leiden
Name: Jeffrey M. Leiden, Ph.D., M.D.
Title: Executive Vice President, Pharmaceuticals
and Chief Scientific Officer
Date: March 13, 2001

JOHN HANCOCK VARIABLE
LIFE INSURANCE COMPANY

By: Stephen J. Blewitt
Name: Stephen J. Blewitt
Title: Authorized Signatory
Date: March 13, 2001

INVESTORS PARTNER LIFE INSURANCE
COMPANY

By: Stephen J. Blewitt
Name: Stephen J. Blewitt
Title: Authorized Signatory
Date: March 13, 2001

CONFIDENTIAL
JH 008115

-36-

EXHIBIT 1.6

FIRST ANNUAL RESEARCH PLAN

CONFIDENTIAL
JH 008116

**Ketolide Oral & IV (ABT-773)
Annual Development Plan
Exhibit 1.6**

Therapeutic Area	Antibacterial																																
Indications	<p>Adult Tablet: Community-acquired respiratory infections. I.V.: Step-down therapy in community-acquired hospitalized pneumonia.</p> <ul style="list-style-type: none">- ABT-773 is a potent ketolide with strong activity against most macrolide resistant strains, while maintaining the broad spectrum coverage of clarithromycin.- Product will be available as tablet and IV formulation.- ABT-773 will address the major unmet medical needs of increasing resistance to current ampic agents, particularly S. pneumoniae.- Maintains clarit's claim of "Spans the spectrum" (G+, G-, atypicals).- Cover key G+ resistant strains (S. pneumoniae, S. pyogenes).- Tablet dosing is 150mg QD or 150mg BID dosing based on severity of indications.- Tablet: 6 days for ABECB, pharyngitis, 10 days for AMB and CAP.- Incidence of GI side effects equal to clarit (assuming comparable drug levels to tablet).- COGS target \$2,500/kg at launch for tablet.																																
Description																																	
Current Time Line	<table><tr><th>Milestones</th><th>Tablet Date</th><th>IV Date</th></tr><tr><td>Phase I</td><td>1Q1997</td><td>1Q2001</td></tr><tr><td>Phase IIb</td><td>3Q1999</td><td>N/A</td></tr><tr><td>Phase III</td><td>4Q2000</td><td>4Q2001</td></tr><tr><td>NDA Filing</td><td>3Q2002</td><td>2Q2003</td></tr><tr><td>Launch</td><td>1Q2004</td><td>2Q2004</td></tr></table>	Milestones	Tablet Date	IV Date	Phase I	1Q1997	1Q2001	Phase IIb	3Q1999	N/A	Phase III	4Q2000	4Q2001	NDA Filing	3Q2002	2Q2003	Launch	1Q2004	2Q2004														
Milestones	Tablet Date	IV Date																															
Phase I	1Q1997	1Q2001																															
Phase IIb	3Q1999	N/A																															
Phase III	4Q2000	4Q2001																															
NDA Filing	3Q2002	2Q2003																															
Launch	1Q2004	2Q2004																															
Projected Spending by Year	<table><tr><th>Year</th><th>2000</th><th>2001</th><th>2002</th><th>2003</th><th>2004</th><th>2005</th><th>Total</th></tr><tr><td>Spending</td><td>74.1</td><td>91.5</td><td>99.0</td><td>43.0</td><td>32.0</td><td>22.0</td><td>333.6</td></tr><tr><td>Project-to-Date Spending (thru '00)</td><td></td><td></td><td></td><td></td><td></td><td></td><td>108.4</td></tr><tr><td>2001 Current Projection (Plan)</td><td></td><td></td><td></td><td></td><td></td><td></td><td>91.5*</td></tr></table> <p>* See page 2 for detail.</p>	Year	2000	2001	2002	2003	2004	2005	Total	Spending	74.1	91.5	99.0	43.0	32.0	22.0	333.6	Project-to-Date Spending (thru '00)							108.4	2001 Current Projection (Plan)							91.5*
Year	2000	2001	2002	2003	2004	2005	Total																										
Spending	74.1	91.5	99.0	43.0	32.0	22.0	333.6																										
Project-to-Date Spending (thru '00)							108.4																										
2001 Current Projection (Plan)							91.5*																										

**CONFIDENTIAL
JH 008117**

[illegible]

CONFIDENTIAL
JH 008118

Endothelin (ABT-527)
Annual Development Plan
Exhibit 1.6

Therapeutic Area Indications	Oncology		Spending	
	Hormone Refractory Prostate Cancer		Project-to-Date Spending (thru '00)	
Description	<ul style="list-style-type: none"> • Potential for use in early Prostate Cancer and other cancer types • ABT-527 is Abbott's leading endothelin antagonist receptor • ABT-527 is seeking an indication for the treatment of hormone refractory prostate cancer • ABT-527 will probably be used with current therapies • Well tolerated as chronic therapy • Oral administration • No major drug interactions with drugs commonly used in elderly population or hormonal therapy • Demonstrated cost effectiveness at filing 		<div style="border: 1px solid black; padding: 2px;"> \$127.8 36.0* </div>	
	<ul style="list-style-type: none"> • Well tolerated as chronic therapy • Oral administration • No major drug interactions with drugs commonly used in elderly population or hormonal therapy • Demonstrated cost effectiveness at filing 		* See page 2 for detail.	
Current Time Line	Milestones		Date	
	Phase I		2Q1999	
Projected Spending by Year	Phase II		4Q1997	
	Phase III		4Q2000	
	NDA Filing		2Q2004	
	Launch		4Q2004	
PC EPCA FE*	2000	2001	2002	2003
	13.0	38.0	40.0	33.0
Total	N/A	6.0	6.0	10.0
	N/A	6.0	6.0	17.0
* End of Phase II meeting with FDA just completed. Budget Impact still in process plus discussion of other cancer indications ongoing. 2001 range \$35-40 depending on outcome of discussion.				

CONFIDENTIAL
JH 008119

Endothelin (AET-627)

[illegible]

CONFIDENTIAL
JH 008120

CCM (ABT-594)
Annual Development Plan
Exhibit 1.6

Therapeutic Area		Neuroscience	
Indications		<p>ABT-594 primary target indication is the treatment of neuropathic pain (NP).</p> <ul style="list-style-type: none"> ABT-594 is a non-opioid, non-NR2A/D antagonist that is a potent and selective neuronal nicotinic receptor modulator. ABT-594 is effective in nociceptive pain and neuropathic pain. ABT-594 is expected to have a better side effect profile than opioids, no tolerance, no abuse, and no DEA scheduling. Pre clinical data show ABT-594 to be 30 to 100 times more potent and equally efficacious to morphine in treating moderate to severe pain in several well characterized animal models of pain. ABT-594 has a unique mechanism of action which may enable use in combination with other analgesics as well as monotherapy. Slow onset of action (approx. 1.5 - 3 hours) at low doses tested may suggest limited utility in acute pain types. Favorable safety profile. Oral formulation, BID dosing. 	
Description			
Current Time Line	Milestones	Date	Spending
	IND Filing Phase I Phase II Phase III NDA Filing Launch	4Q1998 3Q1997 3Q1998 4Q2001 3Q2003 3Q2004	<p>Project-to-Date Spending (thru '00)</p> <p>2001 Current Projection (Plan)</p> <p>* See page 2 for detail.</p>
Projected Spending By Year		<p>2000 14.4</p> <p>2001 35.0</p> <p>2002 48.0</p> <p>2003 32.0</p> <p>2004 16.0</p> <p>2005 12.0</p> <p>Total 163.4</p>	<p>97.3</p> <p>35.0*</p>

CONFIDENTIAL
JH 008121

ANT-594

CONFIDENTIAL
JH 008122

Quinolone (ABT-492)
Annual Development Plan
Exhibit 1.6

Therapeutic Area	Anti-bacterial															
Indications	<ul style="list-style-type: none">- Community acquired respiratory, nosocomial pneumonia, complicated and uncomplicated urinary tract and skin/soft tissue infections.- ABT-492 is a potent broad-spectrum quinolone with activity against Gram+, Gram-, and atypical pathogens, including most penicillin, macrolide, and quinolone resistant strains of S. pneumoniae.- Commercial objective is "Trovan-like" activity with "Levofloxacin-like" safety.- Preliminary in-vitro safety assays suggest good safety profile.- Product will be available in tablet and injectable formulations.- Targeting QD dosing for both formulations (not confirmed).- Targeting 6-7 day dosing for most indications (not confirmed).- COGS at \$1,500-3,200/kg at launch pending chemistry optimization.															
Description	Milestones		Date		Spending											
	Phase I Phase II Phase III NDA Filing Launch		4Q2000 3Q2001 3Q2002 4Q2004 4Q2005													
Current Time Line					<table><tr><th colspan="2">Spending</th></tr><tr><td>Project-to-Date Spending (thru '00)</td><td>11.3</td></tr><tr><td>2001 Current Projection (Plan)</td><td>25.0*</td></tr></table>						Spending		Project-to-Date Spending (thru '00)	11.3	2001 Current Projection (Plan)	25.0*
Spending																
Project-to-Date Spending (thru '00)	11.3															
2001 Current Projection (Plan)	25.0*															
					* See page 2 for detail.											
Projected Spending by Year	2000	2001	2002	2003	2004	2005	Total									
	8.5	25.0	75.0	100.0	52.0	11.0	269.5									

CONFIDENTIAL
JH 008123

Quinolone (ABT-492)																									
2001 Plan Development Cost Summary																									
Program Status		2001 Plan Development Cost Summary																							
		2000				2001				2002				2003				2004				2005			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Phase I																									
Phase II																									
Phase III																									

CONFIDENTIAL
JH 008124

TSP (ABT-510)
Annual Development Plan
Exhibit 1.6

Therapeutic Area		OncoGen					
Indications		Solid tumors such as lung, breast, ovary, bladder and pancreas.					
Description	<ul style="list-style-type: none">- Thrombospondin peptide- Novel anti-angiogenesis agent- Parenteral dosing- ABT-510 is seeking an indication for the treatment of solid tumors- Mechanism may prevent the growth of tumors and prevent the spread of metastases by preventing or inhibiting the growth of nutrient supplying blood vessels						
	Current Time Line	Milestones	Date				
	DDC	4Q1998					
	Phase I	2Q2000					
	Phase II	4Q2001					
	Phase III	1Q2003					
	NDA Filing	1Q2005					
	Launch	1Q2006					
	Spending		\$				
	Project-to-Date Spending (thru '00)		45.6				
	2001 Current Projection (Plan)		9.0*				
	* See page 2 for detail.						
Projected Spending by Year	2000	2001	2002	2003	2004	2005	Total
	6.6	9.0	37.0	29.0	23.0	15.0	119.6

CONFIDENTIAL
JH 008125

Woidat Deposition Exhibit 4

P's Exhibit

Part 3

NNPI (ABT-518)
Annual Development Plan
Exhibit 1.6

Therapeutic Area	Oncology									
Indications	Solid tumors such as lung, ovarian, pancreatic, breast, colorectal and bladder.									
Description	<ul style="list-style-type: none">- Novel metalloproteinase inhibitor.- Cytostatic mechanism.- Oral dosing.- May prevent the growth of metastatic lesions and/or inhibit primary tumor growth.- Superior efficacy or side-effect profile to competitive agents.									
	Current Time Line	Milestones	Date	Spending						
	DOC	1Q2000	Project-to-Date Spending (thru '00)							
	Phase I	1Q2001	2001 Current Projection (Plan)							
	Phase II	3Q2002	• See page 2 for detail.							
	Phase III	4Q2003								
	NDA Filing	4Q2005								
	Launch	2Q2006								
Projected Spending by Year	2000	2001	2002	2003	2004	2005	Total			
	5.0	7.0	31.0	35.0	28.0	20.0	124.0			

CONFIDENTIAL
JH 008127

2001 Plan Development Cost Summary

Program Status		2001 Plan Development Cost Summary																													
		1999				2000				2001				2002				2003				2004				2005				2006	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Phase I																															
Phase II																															
Phase III																															
NDA																															
						</																									

CONFIDENTIAL
JH 008128

Anti-Mitotic (ABT-751)
Annual Development Plan
Exhibit 1.6

Therapeutic Area Indications	Oncotherapy		Spending	
	Solid tumors such as breast, lung, colorectal, and ovarian		Project-to-Date Spending (thru '00)	
Description	<ul style="list-style-type: none"> - Novel oral cytotoxic agent that inhibits tumor growth by inhibiting the polymerization of tubulin, similar to the MOA of taxanes - May be effective in patients resistant to other cytotoxic agents 		2001 Current Projection (PLAN)	
			See page 2 for detail.	
Current Time Line	Milestones		Date	
	In-License		2Q/2000	
	Phase I		1Q/2001	
	Phase II		4Q/2001	
	Phase III		4Q/2002	
	NDA Filing		1Q/2005	
	Launch		1Q/2006	
Projected Spending by Year	2000	2001	2002	2003
	6.0	10.0	27.0	35.0
		2004	2005	Total
		26.0	12.0	115.0

CONFIDENTIAL
JH 008129

ONCOLOGY - FTI ABT-xxx
2001 Plan Development Cost Summary

2001 Plan Development Cost Summary																																
Program Status	2000				2001				2002				2003				2004				2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Phase I																																
Phase II																																
Phase III																																

CONFIDENTIAL
JH 008132

**Dopamine Receptor Agonist (ABT-xxx)
Annual Development Plan
Exhibit 1.6**

Therapeutic Area		Other	
Indications		Male Erectile Dysfunction (MED)	
Description	<ul style="list-style-type: none">• D4 Dopamine Receptor Agonist.• Targets D4 receptors in the brain which offers the potential for efficacy in patients with MED that do not respond to Viagra.• Additionally this approach offers opportunity for compounds with improved tolerability relative to other Dopamine agents that are clinically used for MED.		
	Current Time Line	Milestones	Date
	DCC		4Q/2001
	Phase I		2Q/2002
	Phase II		4Q/2003
	Phase III		1Q/2005
	NDA Filing		1Q/2007
	Launch		4Q/2007
		Spending	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	
		2001 Current Projection (Plan)	
		• See page 2 for detail.	
		Project-to-Date Spending (thru '00)	

**CONFIDENTIAL
JH 008133**

Dopamine Receptor Agonist ABT-xxx
2001 Plan Development Cost Summary

2001 Plan Development Cost Summary																																
Program Status	2000				2001				2002				2003				2004				2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Phase I																																
Phase II																																
Phase III																																

CONFIDENTIAL
JH 008134

Pharmaceutical Products Division
Sample Direct/Indirect Project Funding Distribution
2001 Plan (\$000)

	ADT - 773 (Late Stage - Phase III)			MMPL (Early Stage)		
	Direct	Indirect	Total	Direct	Indirect	Total
PTD Investigational Drug						
Venture Management	0.3	0.0	0.4			
Discovery	4.8	1.6	6.5	0.8	0.2	0.9
Drug Safety	2.2	0.2	2.4	1.1	0.3	1.3
PARC	1.6	0.2	1.7	1.8	0.3	2.1
Phase I Center	4.8	0.4	5.3	0.8	0.2	1.0
Development Operations	2.0	0.1	2.1	0.1	0.0	0.1
Regulatory Affairs	4.2	0.5	4.6	0.1	0.0	0.1
Medical Affairs	0.2	0.0	0.3	0.0	0.0	0.0
Administration	0.8	0.1	0.9	0.0	0.0	0.0
AI Manpower	1.6	-	1.6	0.1	-	0.1
Bulk Drug / Process	0.7	-	0.7	-	-	-
Clinical Grants	15.0	-	15.0	-	-	-
Total	43.1	-	43.1	1.3	-	1.3
% Split	81.4	3.2	84.6	6.3	0.9	7.1
	96.2%	3.8%	100.0%	86.6%	13.4%	100.0%

CONFIDENTIAL
JH 008135

Pharmaceutical Products Division
Sample Direct/Indirect Rate & Headcount Distribution
2001 Plan

<u>Rate:</u>	<u>Data Management</u>	<u>Toxicology/Pathology</u>
Direct		
Payroll (Both PMP and Supv/Mgr)	6,577	5,277
Office Supplies	53	51
T & E	26	84
Sem/Edu	21	73
Supplies	41	440
Consultant	291	67
Printing	73	4
Clinical Tracking Costs	4,075	—
Depreciation	1,031	258
UNIX Based Support	3,453	921
Utilities	62	—
Floorspace	579	1,479
Housekeeping	23	—
Other	112	389
Sub-Total Direct	16,416	9,042
Indirect		
Patents & Trademarks	285	388
Corporate Indirect	697	949
PPD Indirect (Mgmt.)	337	458
Department Overhead	396	584
Other	46	62
Sub-Total Indirect	1,761	2,441
Total	<u>18,177</u>	<u>11,483</u>
% Direct	90%	79%
% Indirect	10%	21%
 <u>Headcount:</u>		
Direct Headcount	123 88%	53 88%
Indirect Headcount	17 12%	7 12%
Total Headcount	<u>140</u>	<u>60</u>
Rate	92.06	135.42
Hours	1,600	1,600
Annual Rate	147,296	216,672

CONFIDENTIAL
JH 008136

-37-

EXHIBIT 1.17

EISAI TERRITORY

1. Bhutan
2. Brunei
3. Cambodia
4. People's Republic of China
5. Republic of China (Taiwan)
6. India
7. Indonesia
8. Japan
9. Democratic People's Republic of Korea (North Korea)
10. Republic of Korea
11. Laos
12. Macao
13. Malaysia
14. Mongolia
15. Myanmar
16. Nepal
17. Pakistan
18. Papua New Guinea
19. Philippines
20. Singapore
21. Sri Lanka
22. Thailand
23. Vietnam
24. Italy, co-exclusive rights with Abbott, unless Abbott exercises its rights under the terms of the Eisai Agreement to take an exclusive right to Italy.

CONFIDENTIAL
JH 008137

-38-

EXHIBIT 1.40

PROGRAM COMPOUNDS

<u>In-License Agreement</u>	<u>Program Compound</u>	<u>Development Phase</u>
Taisho	ABT-627 (Endothelin antagonist)	phase III
	ABT-773 (Ketolide antibiotic)	phase III
	ABT-594 (Cholinergic channel modulator)	late phase II
Wakunaga	ABT-492 (Quinolone antibiotic)	phase I
Eisai	ABT-751 (Antimitotic)	phase I
	ABT-510 (Thrombospondin peptide)	phase I
<u>Preclinical Programs:</u>		
FTI Program		late preclinical
ED Program		late preclinical
MMPI Program	ABT-518 (Matrix metalloproteinase inhibitor)	phase I

CONFIDENTIAL
JH 008138

-39-

EXHIBIT 1.43

EXAMPLE OF PROGRAM RELATED COSTS FOR ONE PROGRAM COMPOUND

CONFIDENTIAL
JH 008139

2001 KEY RATES									
	2000			2001			% Change		
	Rate	Hours	Annual Rate	Rate	Hours	Annual Rate	Hourly Rate	Total Hours	Annual Rate
DRUG SAFETY									
Toxicology/Pathology - PMP/TMP	121.52	1,680	204,154	135.42	1,600	216,672	11.4%	4.8%	6.1%
Metabolism/Microscopy - PMP/TMP	144.75	1,800	231,600	141.64	1,650	233,706	-2.1%	3.1%	0.9%
Comparative Medicine - PMP/TMP	115.60	1,768	204,381	116.88	1,850	216,228	1.1%	4.8%	5.8%
Strategic & Exploratory - PMP/TMP	121.52	1,680	204,154	173.56	1,600	277,696	42.8%	4.8%	36.0%
PHASE I CENTER									
Pharmacokinetics 4PK - PMP/TMP	144.75	1,600	231,600	135.00	1,600	216,000	-6.7%	...	-6.7%
Clin. Res. MDs 42P - PMP	...	...	...	180.35	1,500	270,525	...	...	...
Clin Res. Spec. 420-PMP/TMP	113.59	1,700	193,103	123.76	1,700	210,375	8.9%	...	8.9%
PARC									
Prod Dev - PMP, TMP	108.54	1,800	195,372	116.71	1,800	210,078	7.5%	...	7.5%
IDS - PMP, TMP	160.80	1,600	257,280	162.11	1,600	259,376	0.8%	...	0.8%
DEV OPERATIONS									
Data Mgmt D433 - TMP/PMP	90.04	1,600	144,064	92.06	1,600	147,296	2.2%	...	2.2%
Stats - PMP/TMP	97.75	1,800	175,950	99.10	1,800	178,380	1.4%	...	1.4%
RA/QA									
RA/QA - PMP & TMP	125.50	1,600	200,800	134.48	1,600	215,184	7.2%	...	7.2%
DISCOVERY									
	137.65	1,800	247,770	142.91	1,800	257,238	3.8%	...	3.8%

CONFIDENTIAL
JH 008140

2001 KEY RATES 201 123

03/13/01 02:08:34 PM

-40-

EXHIBIT 9.2

PAYMENT INSTRUCTIONS

Fleet Boston
ABA No. 011000390
Boston, Massachusetts 02110
Account of: John Hancock Life Insurance Co. Private Placement Collection Acct.
Account Number: 541-55417
On Order of: Abbott Laboratories -- Research Funding Agreement dated as of March 13, 2001

E-3233160

CONFIDENTIAL
JH 008141

-41-

Exhibit 12.2(d)

Further Information Regarding Program Compounds

COMPOUND	CHEMICAL NAME	CURRENT STAGE OF DEVELOPMENT
ABT-627 Endothelin antagonist	(2R,3R,4S)-4-(1,3-benzodioxol-5-yl)-1-[2-(dibutylamino)-2-oxoethyl]-2-(4-methoxyphenyl)-3-pyrrolidinecarboxylic acid	Phase III
ABT-773 Ketolide antibiotic	(3aS,4R,7R,9R,10R,11S,13R,15R,15aR)-4-ethyl-3a,7,9,11,13,15-hexamethyl-2,6,8,14-tetraoxo-11-[[2E)-3-(3-quinolinyl)-2-propenyl]oxy]tetradecahydro-2H-oxacyclotetradecino[4,3-d][1,3]oxazol-10-yl 3,4,6-trideoxy-3-(dimethylamino)-D-xylc-hexopyranoside	Phase III
ABT-594 Cholinergic channel modulator	(2R)-azetidylmethyl 6-chloro-3-pyridinyl ether hydrochloride	Phase II
ABT-492 Quinolone Antibiotic	potassium 1-(6-amino-3,5-difluoro-2-pyridinyl)-8-chloro-6-fluoro-7-(3-hydroxy-1-azetidyl)-4-oxo-1,4-dihydro-3-quinolinecarboxylate	Phase I
ABT-518 Matrix metalloproteinase inhibitor	(1S)-1-[(4S)-2,2-dimethyl-1,3-dioxolan-4-yl]-2-[(4-{4-(trifluoromethoxy)phenoxy}phenyl)sulfonyl]ethyl(hydroxy)formamide	Phase I
ABT-751 Antimitotic	N-[2-(4-hydroxyanilino)-3-pyridinyl]-4-methoxybenzenesulfonamide	Phase I
Farnesyltransferase inhibitor	N.A.	Pre-Clinical Program
Dopamine Receptor Agonist for Erectile Dysfunction	N.A.	Pre-Clinical Program

CONFIDENTIAL
JH 008142

-42-

EXHIBIT 12.2(e)

Certain Patent Information

ABT-627

COUNTRY	FILING DATE	PATENT NUMBER	STATUS	EXP. DATE
Australia	08/04/1995	711832	<i>Issued</i>	08/04/2015
Brazil	02/12/1997		<i>Pending</i>	
Canada	08/04/1995		<i>Pending</i>	
EP*	08/04/1995		<i>Pending</i>	
Hong Kong	07/15/1998		<i>Pending</i>	
Israel	08/10/1995		<i>Pending</i>	
Japan	08/04/1995		<i>Pending</i>	
Korea	08/04/1995		<i>Pending</i>	
Mexico	08/04/1995		<i>Pending</i>	
Philippines	08/17/1995		<i>Pending</i>	
USA	05/30/1995	5,767,144	<i>Issued</i>	06/16/2015

*Europe: Austria, Belgium, Great Britain, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, Switzerland

CONFIDENTIAL
JH 008143

-43-

Exhibit 12.2(c) (Cont'd)

ABT-773
(Subject to Taisho Agreement)

COUNTRY	FILING DATE	PATENT NUMBER	STATUS	EXP. DATE
Argentina	09/03/1997		Pending	
Australia	09/02/1997		Pending	
Brazil	05/13/1997		Pending	
Brazil	09/02/1997		Pending	
Bulgaria	09/02/1997		Pending	
Belarus	09/02/1997		Pending	
China	09/02/1997		Pending	
Chile	09/04/1997		Pending	
Canada	09/02/1997		Pending	
Columbia	09/02/1997		Pending	
Czech Republic	09/02/1997		Pending	
EP	09/02/1997		Pending	
Guatemala	08/29/1997		Pending	
Hong Kong	09/02/1997		Pending	
Croatia	09/03/1997		Pending	
Hungary	09/02/1997		Pending	
Indonesia	09/04/1997		Pending	
India	Pending-Black Box		Pending	
Israel	09/02/1997		Pending	
Japan	09/02/1997		Pending	
Korea	09/02/1997		Pending	
Mexico	09/02/1997		Pending	
Malaysia	08/26/1997		Pending	
Norway	09/02/1997		Pending	

CONFIDENTIAL
JH 008144

-44-

Exhibit 12.2(e) (cont'd)

ABT-773 (cont'd)
(Subject to Taisho Agreement)

COUNTRY	FILING DATE	PATENT NUMBER	STATUS	EXP. DATE
New Zealand	09/02/1997		Pending	
Philippines	09/02/1997		Pending	
Pakistan	10/13/1997	136010	Issued	10/13/2013
Poland	09/02/1997		Pending	
Romania	09/02/1997		Pending	
Russia	09/02/1997		Pending	
South Africa	08/20/1997	97/7474	Issued	08/20/2017
Singapore	09/02/1997		Pending	
Slovak Republic	09/02/1997		Pending	
Slovenia	09/02/1997	20023	Issued	09/02/2017
Saudi Arabia	02/10/1998		Pending	
Thailand	09/03/1997		Pending	
Turkey	09/02/1997	TR 01127 B	Issued	09/02/2017
Taiwan	09/05/1997		Pending	
UA	09/02/1997		Pending	
USA	07/03/1997	5,866,549	Issued	09/04/2016
Yugoslavia	09/02/1997		Pending	

*Europe: Austria, Belgium, Great Britain, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, Switzerland

CONFIDENTIAL
JH 008145

-45-

EXHIBIT 12.2(c) (Cont'd)

ABT-594

COUNTRY	FILING DATE	PATENT NUMBER	STATUS	EXP. DATE
Australia	10/08/1993	687017	Issued	10/18/2013
Brazil	04/30/1997		Pending	
Canada	10/08/1993		Pending	
EP*	10/08/1993		Pending	
Hong Kong	12/10/1998		Pending	
Israel	10/04/1993	107184	Issued	10/04/2013
Japan	10/08/1993	3098035	Issued	10/08/2013
Korea	10/08/1993		Pending	
Mexico	10/08/1993		Pending	
Philippines	10/07/1993		Pending	
USA	06/07/1995	5,948,793	Issued	09/07/2016

*Europe: Austria, Belgium, Great Britain, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, Switzerland

CONFIDENTIAL
JH 008146

-46-

EXHIBIT 12.2(e) (Cont'd)

ABT-492

(Subject to Wakunaga Agreement)

COUNTRY	FILING DATE	PATENT NUMBER	STATUS	EXP. DATE
Australia	09/24/1999		Pending	
Brazil	11/29/1999		Pending	
Canada	12/06/1999		Pending	
China	10/22/1999	1258674A	Issued	
Hong Kong				
EP*	12/08/1999	0992501	Issued	
Hungary	11/23/1999	9904389	Issued	
Republic of Korea	08/29/2000			
Mexico	10/14/1999		Pending	
Russian Federation	05/26/2000		Pending	
USA	06/10/1999		Pending	
Japan	10/06/1999	2000-136191	Issued	

*Europe: Austria, Belgium, Switzerland, Germany, Denmark, Spain, Finland, France, Great Britain, Greece, Ireland, Italy, Luxembourg, Monaco, Netherlands, Portugal, Sweden

CONFIDENTIAL
JH 008147

-47-

EXHIBIT 12.2(e) (Cont'd)

ABT-510

COUNTRY	FILING DATE	PATENT NUMBER	STATUS	EXP. DATE
Argentina	05/21/1999		Pending	
Australia	05/21/1999		Filing in Process	
Brazil	05/21/1999		Filing in Process	
Bulgaria	05/21/1999		Filing in Process	
China	05/21/1999		Filing in Process	
Chile	05/20/1999		Pending	
Canada	05/21/1999		Filing in Process	
Columbia	05/21/1999		Pending	
Czech Republic	05/21/1999		Filing in Process	
EP*	05/21/1999		Filing in Process	
Hong Kong	05/21/1999		Filing in Process	
Hungary	05/21/1999		Pending	
India	05/21/1999		Filing in Process	
Israel	05/21/1999		Filing in Process	
Japan	05/21/1999		Filing in Process	
Korea	05/21/1999		Filing in Process	
Mexico	05/21/1999		Filing in Process	
Norway	05/21/1999		Filing in Process	
New Zealand	05/21/1999		Filing in Process	
Philippines	05/21/1999		Pending	
Poland	05/21/1999		Filing in Process	
South Africa	05/21/1999		Filing in Process	
Slovak Republic	05/21/1999		Filing in Process	
Saudi Arabia	05/21/1999		Pending	
Turkey	05/21/1999		Filing in Process	
Taiwan	05/21/1999		Pending	
USA	05/21/1999		Pending	

*Europe: Austria, Belgium, Great Britain, Cyprus, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Romania, Slovenia, Spain, Sweden, Switzerland

CONFIDENTIAL
JH 008148

-48-

EXHIBIT 12.2(c) (Cont'd)

ABT-518

COUNTRY	FILING DATE	PATENT NUMBER	STATUS	EXP. DATE
Argentina	07/30/1998		Pending	
Australia	07/27/1998		Pending	
Brazil	07/27/1998		Pending	
Bulgaria	07/27/1998		Pending	
China	07/27/1998		Pending	
Chile	07/17/1998		Pending	
Canada	07/27/1998		Pending	
Columbia	07/29/1998		Pending	
Czech Republic	07/27/1998		Pending	
EP*	07/27/1998		Pending	
Hungary	07/27/1998		Pending	
Israel	07/27/1998		Pending	
Japan	07/27/1998		Pending	
Korea	07/27/1998		Pending	
Mexico	07/27/1998		Pending	
Norway	07/27/1998		Pending	
New Zealand	07/27/1998		Pending	
Philippines	07/27/1998		Pending	
Poland	07/27/1998		Pending	
South Africa	07/30/1998	98/6828	Issued	07/30/2018
Slovak Republic	07/27/1998		Pending	
Saudi Arabia	12/15/1998		Pending	
Turkey	07/27/1998		Pending	
Taiwan	07/31/1998		Pending	
USA	08/05/1998		Pending	

*Europe: Austria, Belgium, Great Britain, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, Switzerland

CONFIDENTIAL
JH 008149

-49-

EXHIBIT 12.2(e) (Cont'd)

ABT-751
(Subject to Eisai Agreement)

COUNTRY	FILING DATE	PATENT NUMBER	STATUS	EXP. DATE
USA	08/08/1991	5,250,549	Issued	08/08/2011
		5,292,758		08/08/2011
Germany	08/07/1991	EP 472,053	Issued	08/07/2011
United Kingdom	08/07/1991	EP 472,053	Issued	08/07/2011
France	08/07/1991	EP 472,053	Issued	08/07/2011

CONFIDENTIAL
JH 008150

-50-

EXHIBIT 12.2(f)

COMMUNICATIONS

With respect to ABT-594, Abbott has received the following communications:

- ♦ Correspondence from Sibia Neurosciences, 505 Coast Blvd. South, Suite 300, La Jolla, CA 92037 (Sibia was acquired by Merck & Co., Inc. in August, 1999) including, most recently, a letter dated March 13, 1998.
- ♦ Correspondence from ICT Pharmaceuticals c/o Stadheim and Gear, Ltd., 400 North Michigan Ave., Chicago, IL 60611 including, most recently, a letter dated September 14, 2000.

The Sibia and ICT correspondence each refer to their patents on research tools.

CONFIDENTIAL
JH 008151

-51-

EXHIBIT 12.2(i)

Compound Reports

CONFIDENTIAL
JH 008152

CONFIDENTIAL

ABT – 773

Descriptive Memorandum

February 2001

Abbott Laboratories

**CONFIDENTIAL
JH 008153**

ABT-773**Opportunity Overview**

ABT-773 pertains to a promising new class of antibiotics known as ketolides. ABT-773 is likely to have activity against resistant strains of bacteria and will, therefore, compete effectively against currently marketed antibiotics. The compound is currently in Phase II/III trials. Phase III clinical trials began in Q4, 2000. ABT-773 has an expected U.S. launch date in Q1, 2004. Ex-U.S. launches are projected in 2004 for Europe and Japan.

Product features such as high efficacy, activity against resistant strains of bacteria and convenience should enable it to compete against both Zithromax and newer agents such as the quinolones. Dosing is expected to be once-a-day. A 5-day convenience pak at a competitive price will help maximize sales.

The US Market

The overall antibiotic market in the U.S. reached \$8.9 billion in sales in 1999. The tab/cap segment is the largest; sales in 1999 were \$5.7 billion. The I.V. and oral suspension segments are comparatively smaller; total sales topped \$2.1 and \$1.1 billion, respectively.

Tab/cap and oral suspension prescription volume had been declining 1-2% per year in the period of 1995-1998, due to more appropriate prescribing in the face of increasing resistance. However, total tab/cap prescription volume recovered in 1999 and grew 6.3%. Even in the face of negative pressure on antibiotic use, dollar sales in the U.S. have continued to increase, particularly in the tab/cap market. This is due to the trend of replacing relatively low-cost generic agents with higher priced premium antibiotics. The market is willing to bear higher costs for agents that satisfy unmet needs. The I.V. market has grown slightly in terms of sales, also being driven largely by the replacement of generic agents with more costly branded agents.

Macrolides, largely fueled by the gains of Zithromax, have seen significant growth in terms of both prescriptions and sales. Zithromax prescriptions far outnumber those of other competitors, while its sales have nearly surpassed those of the sales leader, Cipro. Historically, quinolones saw relatively limited use for community respiratory tract infections (RTIs) because of poor Gram-positive coverage and sub-optimal adverse event profiles. Newer quinolones such as Levaquin have been successful in achieving more widespread use by virtue of its improved activity and adverse event profile. Levaquin currently accounts for approximately 30% of the quinolone market share. It is anticipated that recent quinolone introductions (Avelox, Tequin) will build upon the RTI momentum established by Levaquin. The growth of the macrolide and quinolone classes has come largely at the expense of cephalosporins and generic agents such as erythromycin and penicillin.

The following table shows 1999 tab/cap sales and prescriptions by class/product:

	Sales			TRXs		
	Sales (\$MM)	Share	CAGR ₉₅₋₉₉	TRXs (MM)	Share	CAGR ₉₅₋₉₉
Penicillins	\$148.3	2.6%	-1.0%	52.5	23.7%	-5.6%
Cephalosporins	\$980.9	17.2%	-5.8%	37.9	17.1%	-3.5%
Ceflin	\$383.9	6.7%	1.8%	5.0	2.3%	-1.0%
Cefzil	\$188.7	3.3%	12.5%	2.7	1.2%	11.3%
Other	\$408.3	7.1%	-14.7%	30.1	13.6%	-4.8%
Ext. Spec. Macrolides	\$1,595.6	27.9%	19.9%	36.1	16.3%	20.8%
Biaxin	\$890.5	12.1%	6.1%	11.3	5.1%	1.2%
Zithromax	\$891.1	15.6%	42.1%	24.4	11.0%	41.5%
Other	\$14.0	0.2%	21.0%	0.4	0.2%	53.0%
Quinolones	\$1,622.1	28.4%	17.0%	24.0	10.8%	11.7%
Cipro	\$902.5	15.8%	8.3%	14.1	6.4%	5.1%
Levaquin	\$528.4	9.3%	NA	7.0	3.1%	NA
Other	\$190.2	3.3%	-2.2%	3.0	1.3%	-6.4%
Augmentin	\$778.1	13.6%	17.8%	10.7	4.8%	11.8%
Other Classes	\$590.5	10.3%	-1.1%	60.4	27.3%	-4.1%
TOTAL TAB/CAP	\$5,715.4	100.0%	8.9%	221.5	100.0%	0.1%

U.S. Market Projections

Resistance to antibiotics is likely to increase, creating opportunities for new agents with activity against resistance. Physicians will be urged to choose agents with an appropriate spectrum of activity relative to the infection being treated. Resistance will increasingly become part of the promotional mix for emerging agents. The ability of an agent to treat resistant strains and the real or perceived ability to slow or prevent resistance development (mutation prevention concentration, low mutation frequency, structure-activity relationships, etc) may confer competitive advantage to such agents.

- Quinolones, which historically have seen limited use in community-acquired respiratory infections, will become a significant class in this segment as new agents from this class are launched that specifically target RTIs.
- The market will become more competitive as new agents enter both the community segment (ketolides, quinolones) as well as the nosocomial segment (oxazolidinones, streptogramins, everniminomycins, peptides, others).
- Several key branded antibiotics will lose patent exclusivity over the next three to five years.. This may create an opportunity in the pediatric market as the top three pediatric brands (Augmentin, Cefzil, Zithromax) are among those losing patent exclusivity.

Antiviral influenza and cold therapeutics, as well as an increasing number of antibacterial vaccines may have a negative impact on antibiotic prescriptions.

The Ex-U.S. Market

Ex-U.S. sales of antibiotics totaled \$11.7 billion in 1999. Tab/cap represents the largest segment, with sales of \$9.4 billion from 770 million total prescriptions. Total Rx growth has been flat, with a 1996-99 CAGR of 0.5%. The use of antibiotics is predicted to slowly decline due to more judicious use of antibacterials in the face of increasing bacterial resistance.

Ex-U.S., the quinolone class accounted for 8% of total tab/cap market prescriptions (62 million Rxs) and 13% of sales (\$1.2 billion). Ciprofloxacin is the market leader ex-U.S. with approximately 47% of the quinolone market Rxs (29 million Rxs) and 44% (\$530MM) of sales. Levofloxacin launched in many European markets in 1998/1999 and holds approximately 14% Rx share of the European quinolone market and 0.8% of the overall tab/cap market. Although grepafloxacin and trovafloxacin also launched in some European countries in 1999, both products were recently pulled from the market due to liver toxicity and other complications. Moxifloxacin launched in Germany in Q4 1999, but has not yet been approved in other markets. In Japan, levofloxacin launched in 1994 and still commands a 65% Rx share of the quinolone market and 10% of the Japanese tab/cap market overall. Japan accounts for approximately 80% of ex-U.S. levofloxacin sales (\$370MM).

CONFIDENTIAL
JH 008155

Scientific Rationale for ABT-773

The likely profile of ABT-773 justifies further development

- ABT-773 pertains to a new class of antibiotics.
- Good activity against resistant Gram + organisms, particularly macrolide-resistant *S. pneumoniae*.
- Convenience, safety, and tolerability profile competitive with Z-pak.
- Oral Suspension and I.V. forms enabling penetration into pediatrics and hospital segments.

Clinical Studies

The safety and efficacy of ABT-773 in AECB were studied in a multi-center Phase II clinical trial conducted between January and April of 1999. Dosing regimens of 100mg TID and 200mg TID were tested. Of the 169 enrolled patients, 159 were clinically evaluable and 96 were both clinically and bacteriologically evaluable. The following chart summarizes the results.

Bacterial Eradication	ABT-773 100mg TID	ABT-773 200mg TID	Overall Eradication
<i>S. pneumoniae</i>	100% (13/13)	90% (9/10)	96% (22/23)
<i>M. catarrhalis</i>	100% (6/6)	100% (7/7)	100% (13/13)
<i>H. influenzae</i>	96% (23/24)	92% (24/26)	92% (47/50)
<i>H. parainfluenzae</i>	100% (6/6)	88% (7/8)	93% (13/14)

Clinical Response	ABT-773 100mg TID	ABT-773 200mg TID
Cure	96% (77/80)	92% (73/79)
Failure	4% (3/80)	8% (6/79)

Clinical and Bacterial Response	ABT-773 100mg TID	ABT-773 200mg TID
Cure	96% (46/48)	94% (45/48)
Failure	4% (2/48)	6% (3/48)

Adverse Events	ABT-773 100mg TID	ABT-773 200mg TID	Overall
Taste Perversion	5% (4/84)	8% (7/85)	6.5% (11/169)
Diarrhea	11% (9/84)	6% (5/85)	8% (14/169)
Nausea	2% (2/84)	2% (2/85)	2% (4/169)
Abdominal Pain	1% (1/84)	2% (2/85)	2% (3/169)
Headache	2% (2/84)	1% (1/85)	2% (3/169)
Rash	2% (2/84)	1% (1/85)	2% (3/169)
Dyspnea	2% (2/84)		1% (2/168)
Elev. Liver Funct. Test	1% (1/84)	1% (1/85)	1% (2/169)
Fever		2% (2/85)	1% (2/169)

CONFIDENTIAL
JH 008156

The safety and efficacy of ABT-773 in AECB were studied in a multi-center Phase IIb clinical trial from October 1999 to March 2000. Doses of 150mg QD, 300mg QD, and 600mg QD were tested. Of the enrolled subjects, 342 were clinically evaluable, and 169 were both clinically and bacteriologically evaluable. The following chart summarizes the results.

Bacterial Eradication	ABT-773 150mg QD		ABT-773 300mg QD		ABT-773 600mg QD		Overall Eradication
<i>S.pneumoniae</i>	83%	(10/12)	90%	(9/10)	100%	(13/13)	91% (32/35)
<i>M.catarrhalis</i>	80%	(8/10)	92%	(12/13)	91%	(10/11)	88% (30/34)
<i>H. influenzae</i>	94%	(17/16)	89%	(17/19)	83%	(19/23)	88% (53/60)
Clinical Response							
Cure	87%	(98/113)	90%	(105/117)	90%	(101/112)	
Failure	13%	(15/113)	10%	(12/117)	10%	(11/112)	
Clinical & Bacteriological Response							
Cure	84%	(42/50)	88%	(49/56)	94%	(59/63)	
Failure	16%	(8/50)	12%	(7/56)	6%	(4/63)	
Adverse Events							
Taste Perversion	5%	(4/84)	19%	(25/129)	29%	(37/129)	17% (66/384)
Diarrhea	13%	(16/126)	12%	(15/129)	21%	(27/129)	15% (58/384)
Nausea	7%	(9/126)	13%	(17/129)	30%	(38/129)	17% (64/384)
Vomiting	2%	(3/126)	3%	(4/1229)	11%	(14/129)	5% (21/384)
Nausea & Vomiting	0	(0/126)	<1%	(1/129)	4%	(5/129)	2% (6/384)
Abdominal Pain	4%	(5/126)	4%	(5/129)	4%	(5/129)	4% (15/384)

The safety and efficacy of ABT-773 in Acute Bacterial Sinusitis (ABS) were studied in a multi-center Phase IIb clinical trial conducted from October 1999 to March 2000. Dosing regimens of 150mg QD, 300mg QD, and 600mg QD were tested. Of the 292 enrolled subjects, 246 were clinically evaluable. The following chart summarizes the results.

Bacterial Eradication	ABT-773 150mg QD		AB T-773 300mg QD		ABT-773 600mg QD		Overall Eradication
<i>S.pneumonia</i>	3/3		8/8		9/12		20/23
<i>M. catarrhalis</i>	8/9		3/4		4/4		15/17
<i>H. influenzae</i>	3/5		7/7		5/7		15/19
<i>S.aureus</i>	1/1		1/1		3/4		5/6
Clinical Response							
Cure	89%	(70/79)	83%	(70/84)	71%	(59/83)	
Failure	11%	(9/79)	17%	(14/84)	29%	(24/83)	
Adverse Events							
Taste Perversion	1%	16/97	14%	(14/98)	27%	(26/97)	14% (41/292)
Diarrhea	6%	(6/97)	6%	(6/98)	17%	(16/97)	10% (28/292)
Nausea	3%	(3/97)	12%	(12/98)	26%	(25/97)	14% (40/292)
Vomiting	1%	(1/97)	6%	(6/98)	17%	(16/97)	8% (23/292)

CONFIDENTIAL
JH 008157

The safety and efficacy of ABT-773 in community-acquired pneumonia (CAP) were studied in a multi-center Phase IIb clinical trial from October 1999 to March 2000. Dosing regimens of 300mg QD and 600mg QD were tested. Of the 187 enrolled subjects, 1248 were clinically evaluable, and 15 were both clinically and bacteriologically evaluable. The following chart summarizes the results.

Bacterial Eradication	ABT-773 300mg QD		ABT-773 600mg QD		Overall Eradication
<i>S. pneumoniae</i>	87%	(13/15)	100%	(7/7)	91% (20/22)
<i>M. catarrhalis</i>	75%	(6/8)	50%	(2/4)	67% (8/12)
<i>H. influenzae</i>	100%	(9/9)	72%	(13/18)	81% (22/27)
<i>M. pneumoniae</i>	93%	(13/14)	93%	(14/15)	93% (27/29)
<i>C. pneumoniae</i>	95%	(19/20)	79%	(19/24)	86% (38/144)
<i>L. pneumoniae</i>	100%	(3/3)	100%	(2/2)	100% (5/5)
Clinical Response					
Cure	92%	(72/78)	80%	(56/70)	
Failure	8%	(6/78)	20%	(14/70)	
Clinical & Bacterial Response					
Cure	92%	(54/59)	82%	(47/57)	
Failure	8%	(5/59)	18%	(10/57)	
Adverse Events					
Taste Perversion	17%	(16/95)	26%	(24/92)	21% (40/187)
Diarrhea	14%	(13/95)	19%	(17/92)	16% (30/187)
Nausea	12%	(11/95)	22%	(20/92)	17% (31/187)
V omitting	10%	(9/95)	15%	(14/92)	12% (23/187)

• Appendix 1

Key Emerging Competitors

Generic	Brand	Company	Class	Status
moxifloxacin	Avelox	Bayer	Quinolone	Approved by FDA 12/13/00
gatifloxacin	Tequin	BMS	Quinolone	Approved by FDA 12/21/00
gemifloxacin	Factive	SKB	Quinolone	Filed NDA 12/15
T-3811	TBD	BMS/Toyama	Quinolone	Phase I
telithromycin	Ketek	Aventis	Ketolide	Filed NDA 3/00
linezolid	Zyvox	Pharmacia	Oxazolidinone	Approved by FDA Q2 '00

CONFIDENTIAL
JH 008158

CONFIDENTIAL

ABT – 627

Descriptive Memorandum

February 2001

Abbott Laboratories

CONFIDENTIAL
JH 008159

ABT-627

Opportunity Overview

ABT-627 is an orally bioavailable endothelin antagonist with a high selectivity for the Eta receptor. The endothelins (ET-1, ET-2, ET-3) are a family of 21 amino acid peptides first identified in 1988. Endothelin is a potent, long acting vasoconstrictor produced by vascular endothelial cells. The known biological effect of ET-1 are believed to be mediated principally through the Eta receptor. These include potent and uniquely sustained vasoconstriction of vascular smooth muscle, positive inotropy of myocardium, and the stimulation of cell proliferation or the hypertrophy in vascular smooth muscle cells, cardiac myocytes, and fibroblasts.

In vitro studies in cultured cells have established that ABT-627 selectively binds to the Eta receptor, and that ABT-627 is a potent inhibitor of ET-1 binding to the Eta receptor.

Studies in cultured human prostate cancer cells and other cultured cells have shown that ABT-627 acts as a functional antagonist of ET-1, and these effects have been confirmed in vivo by assessing the effect of ABT-627 on the ET-1 induced pressor response in rats. Further animal studies have suggested that oral ABT-627 may be effective in the treatment of congestive heart failure, pulmonary hypertension, hypertension, arterial restenosis, and myocardial infarction.

In addition to literature and animal models supporting the role of endothelin antagonists in cardiovascular indications, data exists supporting the role of the ET-1 cytokine as a pathogenic mediator in cancer.

The current role of endothelin in the manifestations of metastatic prostate cancer (PCA) and other tumors have yet to be fully defined. However, Abbott scientists and thought leaders have made multiple observations about endothelin biology which suggest that endothelin may play a role in the biology and pathophysiology of metastatic prostate disease and other metastatic disease such as ovarian, cervical and renal tumors.

ABT-627 has successfully completed Phase II trials for PCA, and the results demonstrate efficacy in hormone refractory PCA. The end of Phase II meeting with the FDA was held on October 4th. The data from Phase II was very favorably received and "best package" comments were made. Fast track designation and rolling NDA were granted. The FDA was conceptually in agreement with preliminary design of Phase III clinicals and clinical end points to measure. While not a dictate, a second Phase III trial will likely be conducted to insure the best opportunity for a successful outcome. The Phase III program is scheduled to commence before year-end. It is expected that filing on ABT 627 will occur in US and ex-US 1Q 2004. The compound is also in Phase I trials for other cancer types. Phase II studies in other cancer types will commence in 2Q01. Other indications outside of oncology are also being considered, to optimize the commercial potential of this asset.

CONFIDENTIAL
JH 008160

The US Market

Prostate cancer is the most common cancer to strike nonsmoking men. The NCI estimates that there are over 1.7 million men living with prostate cancer in the U.S., and another 179,300 will be diagnosed in 1999. Nearly 80% of these cases are men over 60 years of age. It is estimated that the prevalence of prostate cancer is 380,000 in Western Europe and 45,000 in Japan. While the vast majority of these patients will be identified with potentially curable disease (25% in Stage I and 50% in Stage II) in the U.S., half of these patients will go undiagnosed until late stage disease in W. Europe and Japan. The skewed distribution of diagnosed cases ex-U.S. is largely due to less aggressive prostate cancer screening programs compared to the U.S.

Prostate cancer has seen few additions or innovations in treatment regimens in the past two decades. Treatments remain, in general, radical prostatectomy (RP) for localized disease, radiotherapy for locally advanced disease and hormone therapy for advanced disease. Patients receiving hormone therapy become refractory to this treatment after two to three years, although many will continue on hormone therapy. These hormone refractory prostate cancer (HRPCa) patients usually have a life expectancy of approximately 12 months, and no existing standard of care exists for treating these patients. No therapy has shown a significant impact on survival in these patients, although some chemotherapeutic regimens may offer promise.

There is a general trend toward using hormone therapy in earlier stage patients. In some centers, patients are receiving hormone therapy prior to surgery or radiation, in an attempt to improve outcomes in these definitive treatments. Some thought leaders suggest that this earlier utilization has contributed to the overall mortality improvements in PCA. Studies are ongoing looking at different uses for hormone therapy, including intermittent therapy, in an attempt to improve outcomes and mitigate the morbidity associated with hormonal therapy.

Hormone therapy remains the mainstay of prostate cancer treatment in earlier stages. Chemotherapy, however, has gained additional attention in hormone refractory disease as new combinations and regimens offer the potential for greater therapeutic benefit with fewer side-effects. This trend will take several years before clinical trials are completed and community based oncologists adopt these regimens, so the current cytotoxic market in PCA is small.

The total dollar growth of this market has slowed as the two market leaders, Lupron (leuprolide/TAP) and Zoladex (goserelin/Zeneca), have experienced increased price pressures from managed care and Medicare. About half the states are currently reimbursing these therapies at a least cost option (only paying for the cheapest alternative), putting downward price pressures on Lupron (\$6,500/yr) to match Zoladex's (\$4,500/yr) lower price point. Thus, US Lupron dollar sales declined between 1997 and 1998, despite an increase in patient volume.

Growth has also stagnated due to a lack of innovation in this hormone dominated category. There have been few therapeutic advances in the treatment of PCA in the last 5 years.

The only chemotherapy approved for use in HRPCa patients with pain is Novantrone (miloxantrone/Immunex), but the marginal benefits this compound delivers is deeply undercut by its severe toxicities and a lifetime cap on dose. Novantrone and steroids significantly reduced the metastatic pain in 40% of patients, but it does not appear to provide a survival advantage. Novantrone is dosed by I.V. infusion every 21 days, at a cost of \$560 per treatment, or an annual cost of around \$8,000. Use of this agent is associated with significant side-effects, including myelosuppression, cardiac toxicity (which limits dosing) and nausea. It is this negative side-effect profile that inhibits the use of this agent in more patients. Only about 4% of U.S. HRPCa patients received Novantrone therapy in 1998. Novantrone has not been approved ex-US.

Only about 17% of HRPCa patients received any chemotherapy in 1998. The most common drugs included estramustine, paclitaxel and eloposide. These drugs continue to be some of the most studied compounds in HRPCa ongoing research and represent the greatest short-term promise in the cytotoxic treatment of this advanced disease state.

CONFIDENTIAL
JH 008161

US Sales of Products to Treat Prostate Cancer

Product	1997 Dollar Sales (MM)	1998 Dollar Sales (MM)	% chng '97-'98
Lupron (leuprolide/TAP)	\$650	\$667	2.6%
Zoladex (goserelin/Zeneca)	233	296	27.3
Casodex (bicalutamide/Zeneca)	58	68	17.24
Euflex (flutamide/Schering)	74	67	-9.5
Novantrone (mitoxantrone/Immunex)	33	35	6.1
Nilandrone (nilutamide/Hoechst)	12	24	100
Emcyt (estramustine/Pharmacia/Upjohn)	8	14	75
Taxol (paclitaxel/BMS)	4	8	100
Velipride (etoposide/BMS)	5	4	-20
Others	27	31	14.8
Total	1,104	1,214	10%

Source: Tandem Research and Price Probe

US Market Projections

- Novantrone (mitoxantrone/Immunex) is currently the only product approved for the treatment of hormone refractory PCA with pain. It currently falls short on the market needs in terms of efficacy and side-effect profile.

Attribute	Novantrone Profile
Dosing	I.V. infusion cycles
Cost	Expensive, ~\$10,000/yr
Efficacy	Provides marginal improvements in quality of life
Reimbursed	Yes
Side-effects	Dose limiting toxicities
Promo Efforts	108 oncology reps
Targets	Oncologists

Several surveys indicate that there are over 100 compounds in preclinical and clinical development for prostate cancer and various solid tumors. The compounds listed in the appendix represent compounds that appear to offer the greatest promise and/or potential for competition for ABT-627. However, since the most likely use of ABT-627 will be in combination with best therapy, it is difficult to define the extent of competitive threat that any of these compounds represent. In general, other cytostatic agents probably offer the greatest threat as a replacement for ABT-627. However, even other cytostatic agents may be combined to maximize the activity of the various mechanisms.

To date, PPD is aware of only one other endothelin receptor antagonist in development for cancer, from Yamanouchi, which began Phase I studies in the Fall of 1999. ABT-627 is still poised to be the first endothelin receptor antagonist to reach the market for oncology.

Scientific Rationale for ABT-627

There are relatively low hurdles for entry for a product to treat hormone refractory prostate cancer, as no truly effective agents presently exists. Quality of life is paramount in this population, followed by improvements in disease progression and survival. Quality of life parameters could include an impact on pain/or delay in pain onset or other performance type measures of daily activities. As all hormone therapy ultimately fails, a product that delays disease progression is needed.

Unmet Need	Pipeline Impact
Improvements in QOL	<ul style="list-style-type: none"> ABT-627's profile goal is to provide improvements to a patient's QOL or blunt a decrease in QOL Cytotoxic agents rarely have significant positive impacts on QOL Other cytostatic agents may offer this benefit
Improvements in survival	<ul style="list-style-type: none"> It is unlikely that improvements in survival will be seen in our current trials Cytotoxic agents may offer a survival advantage, perhaps in combination with ABT-627
Improvements in time to disease progression	<ul style="list-style-type: none"> Cytostatic and cytotoxic agents offer the greatest promise for this benefit

Our objective is to provide physicians and patients with a novel option for the treatment of hormone refractory prostate cancer, distinguish ABT-627 from current cytotoxic therapies and encourage the treatment of advanced prostate cancer patients currently only receiving hormonal therapy.

ABT-627 will be positioned as a physician and patient-friendly choice for advanced prostate cancer patients who have failed hormone therapy. ABT-627's novel mechanism of action provides a delay in disease progression and a positive impact on QOL. The oral, QD dosing enhances compliance and minimizes disruptions to daily living.

The message will focus on 3 key attributes:

- Efficacy (defined as increased time to tumor progression) in a patient group with few options
- Improvements in quality of life
- Convenience

Physicians no longer have to choose between *treating* advanced prostate cancer patients and a patient's quality of life. ABT-627 has a positive impact on disease progression and symptoms associated with quality of life, without the baggage of significant side-effects or the inconvenience of parenteral administration associated with current therapy choices.

This message expresses the key features of the agent in terms of patient benefits, as opposed to emphasizing the scientific/clinical aspects. Since prostate cancer is a terminal disease with a relatively long time for disease progression, the quality of a patient's life becomes even more critical. Especially in cancer treatment, where the therapy can often feel worse than the disease, the benefits that ABT-627 will bring, coupled with its benign side-effect profile, will have a significant impact on prostate cancer patients' lives.

Clinical Studies

Phase II trials have been completed and the data are being analyzed. Preliminary results for the primary endpoint of time-to-disease progression and the secondary endpoint of time-to-PSA progression show that ABT-627 favorably delays both phenomena with a benign adverse event profile. The results are summarized below.

Disease Progression: The delay in median time-to-disease progression for evaluable subjects was improved by 52% and 43% for the 10mg and 2.5mg doses respectively over the placebo time-to-disease progression of 4.3 months.

Time-to-PSA Increase: A 150% and 150% improvement in median time-to-PSA progression for evaluable subjects was observed for the 10mg and 2.5mg doses respectively over the time-to-PSA progression placebo of 2 months.

Significant dose related decreases were observed in markers of metastatic bone disease.

Key Prostate Cancer Competitors

Product	Company	Phase	Projected NDA Filing	Description	Anticipated Impact on ABT-627
AG 3540	Agouron	II	2000	MMPI	In combination with mitoxantrone/prednisone. Unknown impact.
Marimastat	British Biotech	II	2001	MMPI	Side-effect profile significantly worse than ABT-627. Probably minimal impact.
SU 101	Sugen	III	2002	PDGF TK antagonist	Phase III in combination with mitoxantrone set to start in 1999. Uncertain impact.
AR 623	Aronex	II	2002	All-transretinoic acid	IV liposomal form of ATRA. HRPc trial began November 1998. Probably additive.
MGI 114	MGI Pharma	II	2002	Alkylating agent	Lead compound in acylfluorenes. Fairly toxic. Probably additive.
Liposomal Encapsulated doxorubicin	NeoPharm and P&U/Alza and others	II	2002	Anthracycline	Various forms being developed by various companies. Probably additive.
Satraplatin	BMS	III	2000	Platinum complex	Oral platinum analog w/toxicities comparable to carboplatin. Probably additive.
Taxol	BMS	II	2001	taxane	In various combinations with other chemo agents. Probably additive.
Taxotere	RPR	II	2001	taxane	In various combinations with other chemo agents. Probably additive.

CONFIDENTIAL
JH 008164

CONFIDENTIAL

ABT-594

Descriptive Memorandum

February 2001

Abbott Laboratories

CONFIDENTIAL
JH 008165

ABT-594 Opportunity Overview

ABT-594 is a non-opioid, non-NSAID analgesic that is a potent and selective neuronal nicotinic receptor (NNR) agonist being studied for the treatment of pain. ABT-594 is 30 to 100-fold more potent and equally efficacious to morphine in several well-characterized animal models of pain. The preclinical side effect and dependency liability profile of ABT-594 is superior to that of morphine.

ABT-594 is orally administered, and BID dosing is expected. Its initial targeted indication is symptomatic treatment of diabetic neuropathic pain. It is covered by a composition of matter patent through June of 2016, and also has a use patent pending in analgesia that would provide protection through September of 2017.

The IND filing of ABT-594 was in December 1998. A Phase IIb (dose ranging) trial began April 2000 in diabetic neuropathic pain. A Go/No Go decision for clinical efficacy is expected June 2001. The NDA filing is expected in 3Q2003. Development of additional formulations is under consideration (parenteral, transdermal, extended-release).

U.S. sales in 1999 for the key neuropathic pain treatments, Neurontin, carbamazepine, and tricyclic antidepressants (TCAs), are estimated to be \$350 million. Neurontin sales account for the bulk of this, with an estimated 40% of this antiepileptic drug's sales being for neuropathic pain. Neurontin's 2000 sales are expected to reach \$1 billion with perhaps 50% of its use in neuropathic pain. This dollar market value likely underestimates this market's potential due to a number of factors. Only the anticonvulsant, Tegretol (carbamazepine), currently off patent, and Lidoderm, a lidocaine patch, have specific indications for a type of neuropathic pain (trigeminal neuralgia and post-herpetic neuralgia, respectively) in the U.S. Currently, there is an unmet market need for novel neuropathic pain treatments such as ABT-594. Therefore, this compound is likely to be well received in this arena. Outside the U.S., Neurontin recently received an indication in the U.K. for the treatment of neuropathic pain. Despite these opportunities, there has been little to no funding from the pharmaceutical industry to improve diagnosis and treatment of neuropathic pain and drive market growth.

Ex-U.S. sales of carbamazepine and Neurontin for treatment of neuropathic pain are estimated to be approximately \$140MM in 1999. Carbamazepine is still the treatment of choice ex-U.S., with estimated sales of approximately \$90MM in neuropathic pain. Neurontin has achieved only \$53MM in sales for this pain segment, with a price approximately 3-4 times that of carbamazepine, suggesting a patient share of only 10-20%.

Nociceptive pain is categorized by duration (acute or chronic) and by severity (mild, moderate, and severe). The mild and, to a lesser extent, moderate segments have multiple product entries and are generally well satisfied by OTC products such as aspirin, acetaminophen and ibuprofen. The prescription market for nociceptive pain is made up of four key classes of analgesics: NSAIDs, COX-2s, Opioids (and combination products), and Other Non-Opioids. In 1999, sales for these four classes of analgesics exceeded \$12BB (\$6.7BB U.S., \$5.6BB Ex-U.S.)

CONFIDENTIAL
JH 008166

Market Size / Prevalence

Pain is the most common symptom of disease and the most frequent complaint with which patients present to physicians. Chronic pain, including both neuropathic and nociceptive pain, is considered to be the single most common cause of suffering and disability in the industrialized world with an estimated 25-30% of the population experiencing some form of chronic pain.

Neuropathic pain is a frequent sequela of diabetes, cancer, AIDS and other viral infections, as well as entrapment neuropathies such as carpal tunnel syndrome. Diabetes and its associated complications are increasing at an alarming rate in the United States. Despite advances in treatment, the development of diabetic complications such as neuropathy remains significant. The diagnosed prevalence of diabetic neuropathy is estimated to be about 2 to 3 million patients, with at least 10 to 20% of those patients experiencing painful symptoms (~200,000 to 600,000.) AIDS-related neuropathic pain is estimated to affect approximately 40% of HIV-infected individuals (~14 million.) Post-herpetic neuralgia (PHN) is another virally induced neuropathic pain syndrome. Annually, acute herpes zoster infection (shingles) occurs in almost a quarter of a million people over the age of 60 in the U.S. alone. Pain lasting more than one year has been reported in 22% of patients over the age of 55 and in 48% of those over 70 years of age. In cancer, nerves can be damaged by mechanical distortion from a tumor mass, infiltration by tumor, chemotherapy, or radiation therapy and, therefore, neuropathic pain is common. An estimate of the prevalence rate for cancer-related neuropathic pain in the U.S. is 200,000 people.

Chronic nociceptive pain categories include osteoarthritis (OA), chronic back and neck pain, rheumatoid arthritis (RA), and cancer pain. These diagnoses are expected to become more prevalent as the population ages. Current overall prevalence for these disorders is staggering (over 200 million worldwide) and, although the diagnosed and treated populations are lower, improved treatment options and awareness have the potential to drive significant growth. OA is one of the most common nociceptive pain conditions treated by primary care physicians and three-fourths of OA sufferers surveyed indicate that the disease interferes with their daily activities. Chronic back and neck pain are also highly prevalent and represent an estimated 40% of a primary care physician's (PCP's) chronic pain patient population.

CONFIDENTIAL
JH 008167

Woidat Deposition Exhibit 4

P's Exhibit

Part 4

Competition, Current Marketed Products:

The following tables show the factored U.S. and ex-U.S. prescription and sales volume for key neuropathic pain therapies in 1999.

1999 Key Neuropathic Pain Products, Estimated TRxs				
Product/Class	1999 U.S. TRx (MM)	U.S. TRx CAGR '97-'99	1999 ex-U.S. TRx (MM)	ex-U.S. TRx CAGR '97-'99
Neurontin	3.3	26.3%	N/A	N/A
carbamazepine	1.0	12.6%	N/A	N/A
TCAs	8.2	1.1%	N/A	N/A
TOTAL	12.5	5.6%	N/A	N/A
Source: IMS, factored for neuropathic uses.				
N/A = not available				

1999 Key Neuropathic Pain Products, Estimated \$ Sales				
Product/Class	1999 U.S. Sales (\$MM)	U.S. Sales CAGR '97-'99	1999 ex-U.S. Sales (\$MM)	ex-U.S. Sales CAGR '97-'99
Neurontin	\$308	28.7%	\$53	57.6%
carbamazepine	\$17	13.1%	\$87	2.5%
TCAs	\$26	-3.3%	N/A	N/A
TOTAL	\$351	21.7%	\$140	10.1%
Source: IMS, factored for neuropathic uses; Ex-U.S. data includes retail pharmacy data from all audited markets				
N/A = not available				

Competition, Products in Development

Almost 100 compounds are currently in development for prescription pain management, though some of these compounds are also being developed for non-analgesic indications. Most of the analgesic compounds in the pipeline represent incremental improvements over the opioids or NSAIDs, or consist of new formulations or delivery mechanisms for the standard analgesics. Fewer than 30% of the compounds in development have novel mechanisms of action. Drugs with novel mechanisms are expected to provide the bulk of promoted competition for ABT-594.

In addition to the novel analgesics in the table below, a number of new formulation and combination products, most often containing an opioid, are in development. Second generation COX-2s are also in development but are not likely to represent major breakthroughs on the scale of the first generation products.

CONFIDENTIAL
JH 008168

Analgesia Development Pipeline – Key Novel Agents				
Product	Company	Mechanism	Phase	Comments
pregabalin	Pfizer	Unknown; possibly through (2 nd) subunit binding	III	Neuropathic pain; chronic pain, follow-up to Neurontin
saredutant	Sanofi	NK-2 receptor antagonist	II	General pain; MOA losing favor; active program
ZD4952, ZD 6416	Zeneca	Prostaglandin receptor antagonist	II	Moderate to severe pain, neurogenic pain
GV196771	Glaxo	Glycine antagonist	II	Chronic pain; showing promise
Tepoxalin	Johnson & Johnson	COX/5-LO inhibitor	II	OA, described as 'steroid replacing anti-inflammatory drug'
darbufelone	Parke-Davis	COX/5-LO inhibitor	II	General pain
117mSn DTPA	Brookhaven National Lab/Diatide	Unknown	II	Cancer pain Bone cancer (preclinical)
cizolirine	Esteve	Substance P agonist	II	Analgesia, antipyretic
ADD 234037/ harkoseride	Houston University	Glycine NMDA associated antagonist	II	Neurogenic pain
LY303870/ lanepitant	Eli Lilly	Neurokinin 1 antagonist	II	Pain (migraine – discontinued)
colykade devacade	Merck	Cholecystokinin B antagonists	II	Pain (UK)
RPR 100893 dapitant	Aventis	Neurokinin 1 antagonist	II	Pain (France)
prosapide TX14A	Myelos Neurosciences	Unknown	I/II	Diabetic neuropathies, Pain
CNS 5161	Cambridge NeuroScience	Glutamate antagonist, NMDA receptor antagonist	I	Neurogenic pain
HCT-3012	NicOx	Nitric oxide NSAID	I	Pain and inflammation
Sources: ADIS, IMS, Decision Resources, company reports				

CONFIDENTIAL
JH 008169

Analgesia Development Pipeline – Nicotinic Mechanisms			
Product	Company	Phase	Comments
GTS-21	Taisho	II	Target is Alzheimer's disease; may have preclinical pain program; looking for partner
CMI 980	Cytomed	Preclinical	Target is pain; epibatidine analog
SIB-T1887	Sibia	Preclinical	Target is pain
FID 072021	Fidia	Preclinical	Target is pain; not actively funding
Sources: ADIS, IMS, company reports			

Unmet Needs

In general, a significant unmet need exists for safer, non-abusable, non-addicting, non-tolerance-producing, and non-scheduled efficacious oral and parenteral analgesic products for the treatment of moderate to severe neuropathic and chronic nociceptive pain.

Unmet Market Needs and the Impact of the Pipeline	
Unmet Need	Pipeline Impact
Efficacy in moderate to severe pain without tolerance, dependence or abuse potential	Novel nicotinic agents like ABT-594 may provide efficacy in more severe pain states without opioid-like liabilities.
Efficacy in neuropathic pain	Pregabalin may provide incremental improvement in neuropathic pain efficacy over gabapentin, but may also have increased frequency of adverse events. Novel nicotinic agents like ABT-594 appear to have efficacy in neuropathic pain, based on animal models.
Reduction in the GI bleeding risk of NSAIDs	COX-2 inhibitors appear to reduce the incidence and severity of GI ulcers and bleeding; second generation COX-2s may increase therapeutic window further; ABT-594 may need to demonstrate low G.I. complication rate.
Overcome ceiling effect of NSAIDs	Preclinical studies did not indicate a ceiling effect for novel nicotinic agents like ABT-594.
Extended dosage intervals or novel delivery mechanisms for improved compliance and convenience	Once weekly dosing formulations being explored for COX-2s, etc. Transdermal patch technology improvements likely; may need to provide line-extension / alternate formulations for ABT-594.
Therapies aimed at disease modification, prevention	Agents that decrease rate of diabetic complications (e.g., aldose reductase inhibitors) or directly treat neuropathy (bimoclonol) may decrease incidence of neuropathic pain; thereby decreasing available market for ABT-594.

CONFIDENTIAL
JH 008170

Product / Development Background

Scientific Rationale for ABT-594

Recent findings in the understanding of pain mechanisms have led to new conceptual approaches to clinical pain and a new understanding of potential novel molecular targets for analgesic drug development. Molecular targets have included modulators of glutamate neurotransmission (NMDA antagonists), ion channel modulators (neuron specific calcium channels, TTX-resistant sodium channels), neurokinin antagonists (NK-1), and novel anti-epileptics targeting the calcium receptor. None of these approaches has yet produced compounds exhibiting broad-spectrum analgesic efficacy with decreased side effect liability.

ABT-594 is a non-opioid, non-NSAID analgesic that is 30- to 100-fold more potent and equally efficacious to morphine in treating moderate to severe pain in several well-characterized animal models of pain. The preclinical side effect and dependence liability profile of ABT-594 is superior to that of morphine. Mechanistically, ABT-594 is a potent and selective neuronal nicotinic receptor (NNR) agonist with high oral bioavailability in rat, dog, and monkey.

In pre-clinical studies, ABT-594 rapidly distributes to the brain following systemic administration and, like morphine, can work at multiple levels in the central and peripheral nervous system to modulate pain perception. ABT-594 produces antinociceptive effects by interacting at both central and peripheral nAChRs. Injections of ABT-594 into brain at doses 1000-fold lower than given peripherally produce marked antinociceptive activity, indicating that ABT-594 can also activate descending pathways from the CNS to modulate pain processing. It also inhibits the release of the primary nociceptive transmitters, substance P and calcitonin gene related peptide (CGRP) *in vitro*, at the level of the dorsal horn of the spinal cord suggesting that ABT-594 can attenuate mechanisms leading to neurogenic inflammation, central sensitization and consolidation of pain-mediated neuronal changes.

ABT-594 is expected to be a highly differentiated product. It is expected to be the first neuronal nicotinic receptor agonist to receive an indication for pain. It has a novel mechanism of action and a potentially broad coverage of chronic pain conditions. In addition, it has an opioid-like efficacy without tolerance, dependence or abuse potential, while having equivalent/superior efficacy to other drugs used to treat neuropathic pain.

Clinical Studies

Human clinical trials began in 1997. Phase I trials with an oral solution formulation indicated that 150ug/day would be the maximum tolerated dose. Results from subsequent phase I and phase II trials with soft elastic capsule (SEC) and hard gelatin capsule (HGC) suggest that higher doses would be tolerated. Phase IIa studies with ABT-594 SEC formulation suggest a trend towards analgesic effect at 75ug BID, the maximum dose studied in this protocol. ABT-594 was generally well tolerated in these studies. The most common adverse events for subjects receiving ABT-594 75ug BID were nausea (15%), headache (13%), dizziness (7%), insomnia (6%), and vomiting (5%).

A phase IIb study for neuropathic pain at higher, titrated doses of ABT-594 began in April 2000 and ends in June 2001. A total of 320 patients is anticipated to be included in the study.

CONFIDENTIAL
JH 008171

Considerations**Target Profile:**

The current status of ABT-594's profile vs. target profile is summarized in the table below:

Target Profile Attribute	Probability
Not scheduled (DEA)	High
Very few abnormal Liver Function Tests	High
Few Drug Interactions	High
BID / TID dosing	High
No reduced efficacy or increased AEs in nicotine users	High
Onset of action 1.5 – 2.0 hours	High
Neuropathic efficacy	Medium
No tolerance, dependence or withdrawal	Medium
Other safety OK	Medium
No cravings in ex-nicotine users	Medium
Low nausea / vomiting	Low

Label Strategy:

BASE: Indicated for the treatment of diabetic neuropathic pain.

UPSIDE:

- 1) Treatment of pain associated with OA
- 2) Treatment of post-herpetic neuralgia
- 3) Treatment of neuropathic pain
- 4) Treatment of chronic pain
- 5) Treatment of cancer pain

Cost of Goods Sold:

The projected average daily dose is expected to be a maximum of approximately 600 mcg base equivalent / day. Based upon this dosage projection and the estimated cost of bulk drug substance of \$40M per Kg base equivalent, the estimated cost for drug substance at launch will be approximately \$0.024 per day.

CONFIDENTIAL
JH 008172

Pricing:

US: Pricing new, and particularly novel, products at a reasonable premium will likely continue to be the norm in the years leading up to the launch of ABT-594. Current forecast assumptions put the price of ABT-594 at a level comparable to Celebrex and Neurontin, grown at a modest 2% per year to launch year AWP of approximately \$95 for a 30 day prescription.

Ex-US: New pain medications must demonstrate a true advantage in efficacy and/or side effects to receive regulatory approval, especially by the European Medicines Evaluation Agency (EMEA); assuming the target efficacy and tolerability profile of ABT-594 is achieved, ABT-594 would meet this requirement. Because ABT-594 may have application in both neuropathic and chronic nociceptive pain, the ex-U.S. pricing assumption for ABT-594 is comparable to COX-2 pricing. The current average price for COX-2's is approximately \$1.10 per day; however, this reflects a large percentage of sales in "free-pricing" countries, where COX-2s launched first, which tend to have higher than average prices. Therefore, the average ex-U.S. price for ABT-594 is assumed to be \$0.90/day.

CONFIDENTIAL
JH 008173

CONFIDENTIAL

ABT - 751

Descriptive Memorandum

February 2001

Abbott Laboratories

CONFIDENTIAL
JH 008174

ABT-751

Opportunity Overview

Cytotoxic agents and hormones constitute the dominant classes of drugs available to treat cancer and are responsible for 96% of the total market. Since 1993, Taxol, a taxane developed and marketed by BMS, has been widely used. Another taxane, Taxotere, developed and marketed by Aventis, was launched in 1996. Combined worldwide sales of these two products were of nearly \$2 Billion US in 1999. Clinically, the development of drug resistance is the primary factor that limits the efficacy achievable with these drugs.

Abbott's anti-mitotic agent (ABT-751) is a novel, oral cytotoxic agent that acts by a mechanism similar to that of the taxanes but retains activity against taxane resistant cells. ABT-751 binds to the colchicine site on tubulin and inhibits the *in vitro* polymerization of microtubules. The interference with normal microtubule dynamics leads to a block in the cell cycle at the G2/M phase that ultimately results in the induction of cellular apoptosis. ABT-751 is a potent antimitotic agent that inhibits the proliferation of a broad spectrum of human tumor derived cell lines including those that are paclitaxel and doxorubicin resistant due to the multidrug-resistant (MDR) phenotype or other genetic changes.

ABT-751 demonstrated impressive oral antitumor activity when evaluated in both syngeneic and human xenograft tumor models. The antitumor response was independent of the MDR status of the model, consistent with the activity observed in cell cultures. In sharp contrast with other cytotoxic drugs, the maximum tolerated dosage of ABT-751, on a q.d. 1-5 schedule, could be administered for an extended period (q.d. 1-21 or q.d. 1-28) resulting in a dramatic enhancement of the antitumor activity. These results suggest that the colchicine site ligands, such as ABT-751, will exhibit a broad spectrum of activity that will be distinct from that of other classes of antimitotic drugs. Oral availability of the compound is high. Taxol and Taxotere, in contrast, have no oral bioavailability.

The most significant finding in toxicology studies was a change in systemic and pulmonary vascular resistance following intravenous infusion of ABT-751 to anesthetized dogs. These effects led to an inverse response in cardiac output. Similar changes were observed following infusion of a structurally unrelated colchicine-site ligand, and therefore most likely represent a class effect. Additional toxicology studies focusing on vascular pathology will be performed to further elucidate this finding.

ABT-751 was administered to patients with advanced cancer in Japan in a Phase I study. Toxicities seen after single doses and 5 days of q.d. dosing were nausea, vomiting, diarrhea, epigastric pain, ileus and peripheral neuropathy. Grade 2 toxicity was peripheral neuropathy and associated paresthesias. Pharmacokinetic analyses showed plasma concentrations equivalent to those that affected systemic resistance and cardiac output in the anesthetized dog study. However, no adverse cardiovascular effects were observed in the Japanese Phase I trial. Evidence of ABT-751 efficacy was exhibited in one patient with uterine sarcoma, one patient with NSCLC after single doses, one patient with gastric cancer and one patient with uterine cervical carcinoma demonstrated decreased tumor markers after repeated dosing.

CONFIDENTIAL
JH 008175

The planned initial Phase I study in the U.S. will determine the maximum tolerated dose and dose-limiting toxicities of ABT-751 given orally once a day or twice daily for multiple cycles in patients with advanced malignancies. In addition, pharmacokinetics in a western population, and optimal dose and schedule will be determined. Phase II studies will be initiated in patients with different cancer types:

- Refractory breast (taxane failures)
- Hormone refractory prostate
- Bladder
- Lung
- Cervical
- Hepatocellular
- Other possibilities: colorectal, sarcoma, renal cell, pancreatic, HNSCC

Cytotoxic agents represent the largest, and fastest growing, class of oncology agents by sales volume. The following chart summarizes the value of the current oncology market

Global Sales by Market Segment (\$ MM)

	1996 Sales	1997 Sales	1998 Sales	1999 Sales (est)	CAGR '96-'98
Hormone	4,414	4,784	4,884	5,000	5.2%
Cytotoxic	4,278	5,212	6,268	7,300	21.0%
Adjunctive	3,367	3,651	4,166	4,900	11.2%
Total	12,059	13,647	15,318	17,200	12.7%

Source: Datamonitor

Sales by Region (\$ MM)

	1996 Sales	1997 Sales	1998 Sales	1999 Sales (est)	CAGR '96-'98
US	5,564	6,276	7,422	8,500	15.5%
Ex-US	6,495	7,370	7,896	8,700	10.3%

Source: Datamonitor

This growth of the cytotoxic segment has been driven primarily by the introduction of new, more effective and expensive therapies such as Taxol (paclitaxel/BMS), Gemzar (gemcitabine/Lilly), Taxotere (docetaxel/RPR) and Hycamtin (topotecan/SB). Uptake of these newer agents, however, can be dependent on the cost sensitivity of the local market.

The clinical targets identified for this compound include late stage breast cancer, late stage NSCL cancer (on-label), with late stage ovarian and pancreatic cancer as additional cancer types where efficacy has been demonstrated, but not filed. This product may also be potentially efficacious in cancers such as gastric, colorectal, prostate, bladder, esophageal, hepatocellular (ex US), lymphoma, and leukemia. Targets will be refined as we know more about this compound's in-vivo activity.

CONFIDENTIAL
JH 008176

The following tables summarize the key competitive products by indication (US data only):

Late Stage Breast	
Product	Share
Cyclophosphamide/Cytotec/BMS	18.7
Doxorubicin/Adriamycin/P&U	17.11
Docetaxel/Taxotere/RPR	16.25
Paclitaxel/Taxol/BMS	16.11
Trastuzumab/Herceptin/Genetech	11.26

Late Stage NSCL	
Product	Share
Carboplatin/Paraplatin/BMS	50.32
Paclitaxel/Taxol/BMS	44.14
Vinorelbine/Navelbine/Glaxo	22.78
Gemcitabine/Gemzar/Lilly	22.14
Cisplatin/Platinol/BMS	11.28

Late Stage Ovarian	
Product	Share
Paclitaxel/Taxol/BMS	47.11
Carboplatin/Paraplatin/BMS	45.42
Topotecan/Hycamtin/SKB	22.54
Dox SL/Doxil/Alza	9.14
Cisplatin/Platinol/BMS	7.58

Late Stage Pancreas	
Product	Share
Gemcitabine/Gemzar/Lilly	78.5
5-FU/Efudex/CN Pharma	21.0
Leucovorin/	10.7
Cisplatin/Platinol/BMS	4.72

Compounds in Development

ABT-751 induces a mitotic block by binding to the colchicine site on tubulin and thereby affecting tubulin polymerization. There are no currently available drugs which function by the mechanism described above. However, vinca alkaloids and taxanes fall into the broad category of anti-mitotics although they produce the anti-mitotic effect through different mechanisms. The following table summarizes anti-mitotic compounds in development.

CONFIDENTIAL
JH 008177

Company	Compound	Indication	Status of compound	Status of project
Colchicine-site ligands				
Oxigene	combretastatin-A4 phosphate	Tumor vasculature	Phase I	active
Tularik	T138607 (phosphate prodrug)	Cancer (unspecified)	Phase I	active
Tularik	T900607	Cancer (unspecified)	Preclinical	active
ICI/CRC	Amphethinile	Cancer (unspecified)	Phase I (abandoned 1988)	inactive
Wellcome Research	1069C	Cancer (unspecified)	Phase I (abandoned 1996)	inactive
NIH	Trimethylcolchidinic acid	Various tumors	Phase I (1990, abandoned)	inactive
Parke-Davis	CI-980	ovarian, colorectal	Phase II (abandoned 2000)	inactive
Vinca alkaloid-site ligands				
BASF	LU103793 (dolastatin 15 analog)	Cancer (unspecified)	Phase II (abandoned)	active
Servier	Vinxaltine	Cancer (unspecified)	Phase I	unknown
NCI	dolastatin 10	Adv. Cancers	Phase I	unknown
Teikoku Hormone	TZT-1027 (dolastatin 10 analog)	Cancer (unspecified)	Phase I (Jpn)	unknown
Lilly	LY 355703 (cryptophycin 52)	Cancer (unspecified)	Preclinical	unknown
Takeda	Maitansine	Cancer (unspecified)	Preclinical	unknown
Microtubule stabilizing agents (non-taxanes)				
Soc. Biotech. Res/ Bristol-Myers Squibb	Epothilone	Cancer (unspecified)	Preclinical	active
Bristol-Myers Squibb	eleutherobin	Cancer (unspecified)	Preclinical	active
Pharmacia & Upjohn	sarcodictyins	Cancer (unspecified)	Preclinical	active
Takeda	GS-164	Cancer (unspecified)	Preclinical	active

The novelty of this mechanism offers the promise of differentiation that will diminish the threat from potential competitors. However, this novelty is balanced by the similarity to current mechanisms, such as taxanes and vinca alkaloids, which suggests the promise of clinical efficacy. With the opportunity to be first or second to market with an agent that binds to the colchicine site, the competitive situation seems modest.

CONFIDENTIAL
JH 008178

CONFIDENTIAL

ABT – 492

Descriptive Memorandum

February 2001

Abbott Laboratories

**CONFIDENTIAL
JH 008179**

Hancock_AB 492

ABT 492

Overview

The commercial success of fluoroquinolones such as ciprofloxacin and levofloxacin, along with the desire to further improve the properties of these compounds (microbiological spectrum and safety, for example) has led to fierce competition to identify analogs with superior therapeutic properties. In addition, the development of resistance to present antibiotics will drive a continued need for new agents. Goals for a quinolone antibiotic include broad-spectrum indications equal to trovafloxacin, antibacterial activity comparable to trovafloxacin, tolerability comparable to levofloxacin, oral and intravenous formulations, once daily dosing, length of treatment equal to moxifloxacin, and an acceptable cost of goods. ABT-492, an in-licensed compound from the Wakunaga Pharmaceutical Co., is being developed for evaluation to meet these goals:

The *in vitro* antibacterial activity of ABT-492 was consistently more potent than trovafloxacin against most quinolone-susceptible pathogens, including species responsible for community and nosocomial respiratory tract infections, urinary tract infections, blood stream infections, skin and skin structure infections, and anaerobic infections. The compound has potent activity against multidrug-resistant *S. pneumoniae* (penicillin-, macrolide-, tetracycline-resistant) and retained activity against *S. pneumoniae* strains resistant to other quinolones including trovafloxacin. ABT-492 was also highly active against anaerobes and ciprofloxacin-susceptible *P. aeruginosa*. ABT-492 was as active as trovafloxacin against *C. trachomatis*, indicating good intracellular penetration. Thus, ABT-492 is likely to be a useful broad-spectrum antibacterial agent. The enhanced antibacterial activity of ABT-492 relative to ciprofloxacin, levofloxacin, and trovafloxacin is likely to be explained, in part, by its potent interactions with bacterial topoisomerases. ABT-492's equivalent activity against both the DNA gyrase and the topoisomerase IV of pathogens, give ABT-492 a potential for decreased development of resistance.

The *in vitro* potency data suggests that ABT-492 has the potential to be therapeutically effective at doses comparable to trovafloxacin and superior to levofloxacin. In addition, ABT-492 was consistently more potent than trovafloxacin against MRSA and vancomycin-resistant enterococci. In both these cases, however, therapeutic utility remains to be assessed in the clinical setting.

S. pneumoniae was chosen as the dose-defining pathogen since it is the key pathogen in severe respiratory tract infections and treatment of infections caused by this pathogen has traditionally been a weakness of most quinolones. For treatment of fluoroquinolone-susceptible *S. pneumoniae* respiratory tract infections, oral dosing may be similar to trovafloxacin based on data generated in lung infection models. Because of the excellent potency of ABT-492 against fluoroquinolone-resistant *S. pneumoniae* with an MIC₉₀ of 0.12 µg/ml, this group of emerging strains may be targeted as a key differentiation point from other quinolones. Also, data from the thigh infection model suggests significantly greater efficacy for ABT-492 than for trovafloxacin.

The Market

ABT-492 is broad-spectrum anti-infective agent with potential application across a broad range of indications, including respiratory infections, genito-urinary infections, and skin/soft tissue infections. It is assumed that a pediatric formulation would not be a part of the primary development plan due to the known adverse events caused by quinolones in pediatric populations. Nonetheless, reports of quinolone pediatric development has been reported (gatifloxacin), hence the pediatric market should be regarded as a potential upside for this quinolone should its safety profile merit its use in pediatrics.

CONFIDENTIAL
JH 008180

CONFIDENTIAL

Current Treatment Options

Class	Mechanism of Action	Comments
Penicillins	Cell wall synthesis inhibitor	Mostly generic, class has seen significant decrease as a result of penicillin resistance.
Cephalosporins	Cell wall synthesis inhibitor	Some generic, class has seen significant decrease in use as a result of prevalence of β -lactamase producing strains and modification of penicillin-binding proteins.
Tetracyclines	Protein synthesis inhibitor	Generic agents, relatively high levels of resistance but are still useful in some indications.
Sulfonamides	Folic acid synthesis	Generic agents, relatively high levels of resistance but are still useful in some indications.
Macrolides	Protein synthesis inhibitor	Widespread use in RTI, macrolide resistance has been increasing rapidly, but has not yet translated into declines in clinical efficacy; <i>H. flu</i> activity continues to be class weakness, along with GI adverse events, drug-drug interactions, & taste perversion.
Quinolones	DNA synthesis inhibitor	Fastest growing antibiotic class, used in a broad spectrum of indications; class historically associated with poor Gram+ pathogen coverage and sub-optimal safety profiles; newer agents (Levaquin, Tequin, Avelox) have improved dramatically along both spectrum and safety dimensions.
Oxazolidinones	Protein synthesis inhibitor	Newest antibiotic class to reach market, due to limited Gram- profile will be used primarily in nosocomial setting.

U.S. Market

1999 U.S. antibiotic prescription and sales data are presented in the table below.

			1995	1996	1997	1998	1999	CAGR ₉₅₋₉₉
U.S.	TRXs (MM)	Tab/Cap	220	215	211	208	221	0.1%
		Oral Susp.	76	66	63	59	61	-5.3%
		I.V.	NA	NA	NA	NA	NA	NA
	Sales (\$MM)	Tab/Cap	\$4,057	\$4,220	\$4,467	\$4,848	\$5,715	8.9%
		Oral Susp.	\$1,075	\$979	\$977	\$1,001	\$1,120	1.0%
		I.V.	\$1,865	\$1,829	\$1,855	\$1,890	\$2,117	3.2%

Tab/cap and oral suspension prescriptions had been declining 1-2% per year in the period of 1995-1998, presumably from increased attention to appropriate prescribing in the face of increasing resistance; however, prescriptions recovered in 1999, though this may be explained at least in part by a relatively late 1998-99 flu season. Even in the face of this negative pressure on antibiotic use, however, sales in the U.S. have continued to increase, particularly in the tab/cap market. This is due to the trend of replacing relatively low-cost generic agents with higher priced premium antibiotics; during 1995-1999, generic tab/cap prescriptions declined by 30MM. So while negative pressure on the use of these antibiotics continues, it appears the market is willing to bear higher costs for agents that meet unmet need. The IV market has grown slightly in terms of sales, also being driven largely by the replacement of generic agents with more costly branded agents.

CONFIDENTIAL
JH 008181

CONFIDENTIAL

Quinolones have seen dramatic growth, with oral and IV sales growing at 17% and 16% compound annual rates, respectively, from 1995-1999. This growth is a function of the newer quinolones successfully penetrating the RTI segment, which was initiated with the 1997 launches of Levaquin and Trovan (withdrawn) and continues with the recent introductions of Tequin and Avelox.

Ex-U.S. Market

Ex-U.S. sales of antibiotics totaled \$11.7 billion in 1999. The tab/cap represents the largest segment, with sales of \$9.4 billion on 770 MM TRX. TRX growth has been flat, with a 1996-99 CAGR of 0.5%; the use of antibiotics is predicted to slowly decline due to more judicious use of antibacterials in the face of increasing bacterial resistance.

Ex-US, the quinolone class accounted for 8% (52MM) of total tab/cap market prescriptions and 13% of sales (\$1.2 billion). Ciprofloxacin is the market leader ex-US, with approximately 47% of the quinolone market Rx's (29MM) and 44% (\$530MM) of sales. Levofloxacin launched in many European markets in 1998/1999 and holds approximately 14% Rx share of the European quinolone market, and 0.8% of the overall tab/cap market. Although grepafloxacin and trovafloxacin also launched in some European countries in 1999, both products were recently pulled from the market due to liver toxicity and other complications. Moxifloxacin launched in Germany in Q4 1999, but has not yet been approved in other markets. In Japan, levofloxacin launched in 1994 and still commands a 65% Rx share of the quinolone market and 10% of the Japanese tab/cap market overall. Japan accounts for approximately 80% of ex-US levofloxacin sales (\$370MM).

1999 Ex-US Tab/Cap Market						
Class	Sales (\$MM)	Sales Share	Sales CAGR '96-'99	TRXs (MM)	TRX Share	TRX CAGR '96-'99
Market	\$9,348	-	3.6%	770	-	0.8%
Quinolone Class	\$1219	13%	-12%	62	8%	NA
Cipro	\$530	5.7%	4.9%	29	3.8%	NA
Levaquin	\$466	5.0%	NA	18	2.3%	NA
Trovan	\$12	0.1%	NA	0.5	0.1%	NA

Competition

The anti-infective pipeline is very competitive, but most of the competition is focused on improving the activity and safety of the quinolones. Ketolide development is the only other area of activity which is in late stage of development. The quinolone compounds in present development may fall out because of safety or lack of activity against resistant pathogens.

Competitive Analysis - Emerging Competition					
Product	Company	Class	Phase/Estimated Time to Market	Country	Comment
Keck (telithromycin)	Aventis	Ketolide	Filed 3/00 Est. launch 3/01	U.S.	Respiratory indications; filed NDA 3/00; 800 mg QD; first in ketolide class to reach market.

CONFIDENTIAL
JH 008182

CONFIDENTIAL

Competitive Analysis – Emerging Competition					
Product	Company	Class	Phase/Estimated Time to Market	Country	Comment
Facive (gemifloxacin)	SKB	Quinolone	Filed 12/99 Est. launch 12/06	US	Superior to quinolones for MRSA; highly potent vs. RTI pathogens <i>H. flu</i> , <i>M. cat</i> , and <i>S. pneumoniae</i> and UTI pathogens <i>E. coli</i> and <i>P. mirabilis</i> ; CRSP; potency > spar, trov, gepa and ≥ mox; activity vs. <i>P. aeruginosa</i> ; good atypical and mycoplasma coverage; intracellular penetration; low photo/CNS tox; 700 patient database
Sitafloacin	Daiichi Sankyo	Quinolone (IV only)	III II Est. launch 2002	Japan U.S., Europe	Very potent MRSA, pseudomonas and bacteroides activity; diarrhea, ALT, low WBC; will likely be target to severe rather than community infections
Eccofloxacin	Chiel Foods	Quinolone	II Est. launch 2002	UK	Active against UTI and RTI pathogens; superior to lome and oflo vs. <i>P. aeruginosa</i> . T _{1/2} = 14-19 hr; will likely be target to severe rather than community infections
CS-940	Sankyo	Quinolone	II Est. launch 2002	Japan	Active against G ⁺ ; excellent activity against <i>H. flu</i> , <i>c. jejuni</i> , <i>M. pneumoniae</i> , and <i>C. trachomatis</i> ; greater potency than cipro; t _{1/2} ~7 hr; BA ~30%
T-3811	Toyama/BMS	Quinolone	I Est. launch 2005	Japan	Excellent potency and low toxicity
DC-756	Daiichi Pharma	Quinolone	Pre-clin Est. launch 2006	Japan	Low toxicity; in vitro potency ≥ trov, STFX & HSR-903

Unmet Needs

Overall unmet need in the anti-infective market is low. Resistance represents the largest unmet need, which will continue to evolve over time. Satisfaction with other product attributes, such as convenience, spectrum of activity, and tolerability/safety is quite high. Any improvements in these areas will be incremental and will offer little in the way of differentiation.

ABT-492 is one of the most active agents against the resistant organisms. It has indications that will have a low propensity for the development of resistance. ABT-492 will be developed to maximize any opportunities to shorten therapy. ABT-492 was chosen from hundreds of quinolones because of its potential to be well tolerated and safe in humans. ABT-492 will have few interactions with other drugs.

Unmet Need	Pipeline Impact
Activity against resistant organisms	<i>Strep. pneumo</i> , MRSA, and VRE represent most problematic pathogens although new quinolones/ketolides do well with most resistant <i>Strep. pneumo</i> strains; quinolone-resistant <i>Strep. pneumo</i> may develop; pseudomonas resistance is also increasing; resistance will likely continue to be a source of unmet need due to its dynamic nature.
Low propensity for resistance development	Given that most compounds in development are from classes of drugs already in use, this need is largely unmet. Unclear how quickly resistance will build to new classes of drug; gatifloxacin claims 8-methoxy functional group results in lower propensity for resistance development
Convenience (duration/frequency)	Standard moves toward 5-7 days of therapy with QD dosing; may start to see 3-day therapies for some indications (AECB)
Increased tolerability	While some degree of unmet need exists, increasingly, agents (which have not been withdrawn) are reaching the marketplace with adverse event profiles that approach clinical insignificance; a very clean safety

CONFIDENTIAL

CONFIDENTIAL
JH 008183

5

	profile should be regarded as a necessary component rather than a differentiating one
Few drug-drug interactions	Quinolones, macrolides, and ketolides all interact with other drugs to varying degrees; a potent drug with no interactions would be a benefit in this market

Considerations

Product Usage: Physicians are likely to use ABT-492 for the sicker patients with the most difficult infections to treat. In the outpatient arena it will be used to treat community-acquired pneumonia and acute bacterial exacerbations of chronic bronchitis in the older patients with an underlying illness. It will also be used in the hospital for the community-acquired pneumonia patient who requires hospitalization and for serious nosocomial infections.

While many regard quinolones as agents that should be reserved for 2nd line use, their activity against *H. influenzae* and resistant *Strep. pneumoniae* (which current macrolides do not offer) have resulted in a high level of acceptance for empiric 1st line use. The improved safety profiles of several recent quinolones have facilitated their use as 1st line agents. Provided that ABT-492 is proven to have a benign safety/adverse event profile, it will likely receive usage in both 1st-line (non-severe) and 2nd-line (severe) infections.

Side Effects: The quinolone class has potential prolongation of the QT interval and other cardiovascular effects. There is also increased regulatory scrutiny due to recent quinolone withdrawals from international markets. ABT-492 has been evaluated in the standard *in vivo* models used to evaluate QT interval potentials of other antibiotics and has shown no evidence of increasing QT. Also, compared to marketed quinolones, preclinical studies show no evidence or no increase incidence of CNS drug concentration (ie. less potential for dizziness); phototoxicity; and liver toxicity.

Off-label use: It is difficult to predict at this time what off-label uses will be seen for this compound. Initial development will be for the more common respiratory, urinary tract, skin, and hospital infections. Other indications will be evaluated after the primary approval of this compound. Many of the secondary indications will get usage before we have regulatory approval.

COGS: The initial cost of goods is in \$6000/kg range, but will come down rapidly after the initial starting materials are determined. At time of launch ABT-492 will have a cost of goods in the \$1500/kg range which is competitive compared to other quinolones and other new antibiotics.

Dosing: Based on animal models and the *in vitro* activity of ABT-492 the dose for most oral indications will be in the range of 100 to 200 mg give once daily.

Development/Regulatory: Anti-infective compounds are well understood by regulatory agencies globally and they have clearly defined clinical development path and regulatory guidelines for reference. Abbott Laboratories has been in this arena for many years and has experience with the FDA and European regulatory agencies and so the hurdles to development are well known. ABT-492 has begun but not yet completed its first Phase I study in healthy volunteers.

Other Approaches: Because of the well defined development guidelines there are not many options. The major development options are in dosing regimens. ABT-492 is a very potent drug which has demonstrated rapid killing of pathogens *in vitro* and *in vivo*, and the development plan will attempt to shorten treatment durations to increase the competitive advantages of this activity.

CONFIDENTIAL
JH 008184

CONFIDENTIAL

Pricing: The community infection market is quite competitive from a pricing standpoint, with recent quinolones priced at approximately \$45 per 5-7 days of therapy. The pricing strategy will depend on strengths/weaknesses of the ABT-492 product label, the competitive landscape at launch, and the managed care environment, but current pricing assumption is parity for ABT-492 with respect to other quinolones.

CONFIDENTIAL
JH 008185

CONFIDENTIAL

CONFIDENTIAL

ABT – 510

Descriptive Memorandum

February 2001

Abbott Laboratories

CONFIDENTIAL
JH 008186

ABT 510

Overview

There is abundant evidence that primary tumor growth and metastatic progression require new blood vessel formation (angiogenesis). Tumors secrete inducer proteins including bFGF and VEGF that activate microvascular endothelial cells (EC) causing them to proliferate, migrate and organize into capillary structures. Activated endothelial cells also enhance malignant progression by producing signal molecules (cytokines) that inhibit programmed cell death (apoptosis) of tumor cells. Since anti-angiogenic therapy targets genetically stable endothelial cells, resistance typically seen following cytotoxic chemotherapy is not observed. Moreover, angiogenesis inhibitors should not have the intrinsic toxicity of anti-proliferative chemotherapy. Angiogenesis is also a feature of several other pathophysiologic states of large unmet medical need (macular degeneration, psoriasis, and arthritis, among others).

Angiogenesis sustains the growth and progression of tumors. Unlike chemotherapy or radiation, both of which can damage normal cells in addition to tumor cells, anti-angiogenic agents are hypothesized to prevent growth of new blood vessels and to disrupt critical tumor survival signals produced by EC. These agents may keep tumors in a dormant state for as long as the compound is administered and tumor regressions may occur. Proof of this principle has been demonstrated in pre-clinical models. Currently, at least thirteen compounds with anti-angiogenic activity in cancer are in various phases of clinical development, however few act directly and specifically on the angiogenesis process. Anti-angiogenesis drugs are not expected to replace or compete with current therapies. Instead, if these agents prove to be effective, it is believed that they will be used as supplemental therapy to prevent metastasis following surgery, cytotoxic chemotherapy or radiotherapy. As for cases where tumors have already metastasized, these agents could slow down disease progression and maintain "disease dormancy".

Thrombospondin-1 (TSP-1) was the first natural angiogenesis inhibitor to be discovered. TSP-1 is a large, multifunctional protein. TSP-1 rapidly inhibits EC migration and increases EC apoptosis through activation of caspase-3-like proteases. The normal tissue expression of TSP-1 limits inappropriate neovascularization, however it is transcriptionally activated by the tumor suppressor gene product p53. Therefore, TSP-1 is down-regulated and under-produced in p53 defective tumors. In rodent models, ectopic overexpression of TSP-1 inhibits the malignant phenotype as does direct administration of TSP-1 in the circulation. However, direct clinical use of TSP-1 is not feasible because of its scarcity, large size and multiple other biological functions.

The angiogenic activity of TSP-1 has been localized to the 50,000 MW N-terminal stalk region of this protein, and more specifically to the properdin (Type-1) repeats within this region. Although small synthetic peptides within this region have only weak antiangiogenic activity, it was discovered that a single D-amino acid replacement in a properdin region peptide led to an increase in activity of greater than 1000-fold. ABT-510 is a parenterally available nonapeptide. Although ABT-510 competes with TSP-1 for binding to the EC, the exact mechanism of anti-angiogenesis is unknown.

ABT 510 is supplied for clinical use as a sterile solution in acetate salt in 5% dextrose. ABT 510 is soluble and stable in water.

In vitro, ABT 510 inhibits chemotactic VEGF/bFGF-stimulated migration of human microvascular endothelial cells (EC) with an IC50 of approximately 0.250 nM. This effect is EC specific. ABT-510 (10mg/kg/day subcutaneously) blocks VEGF-induced corneal vascularization in mice. It potently and selectively competes with TSP-1, binding the CD 36 receptor.

CONFIDENTIAL
JH 008187

ABT 510 inhibits tumor progression in vivo. ABT 510(20mg/kg/day subcutaneous administration) inhibited tumor progression (78% growth inhibition at day 38) in a model of human breast cancer (MDA-MB-435) growing in the breast pads of nude mice. Dose dependent inhibition of B16F10 melanoma lung metastases was observed in a second murine model. ABT 526, a molecule highly similar to ABT 510 (which was not advanced into human trials because of concatamer formation) was administered to 23 companion dogs (25mg SQ BID) with sporadic cancers (head and neck carcinoma, lymphoma, sarcoma, etc) refractory to conventional chemotherapy. Surprisingly, 2 complete responses, 5 partial responses ($\geq 50\%$ shrinkage) and 6 cases of disease stabilization were observed.

Assays for toxicity, histamine release, hemolysis, T-cell function neutrophil migration, platelet aggregation, receptor (CEREP) screening and CNS function were unremarkable. ABT-510 produced no physiologically significant changes in cardiovascular or hemodynamic function in anesthetized dogs. In addition, there were no physiologically significant changes in clinical blood chemistry profiles or cardiac electrophysiologic function in response to ABT-510. Doses that were many times higher than the predicted efficacious concentration produced a moderate reduction in mean arterial blood pressure in conscious monkeys. ABT-510 was not mutagenic in the Ames assay. It is concluded therefore that ABT-510 has an excellent pre-clinical safety profile.

ABT-510 is currently in Phase I clinical trials. Because of its exceptional safety profile, normal volunteers are being dosed with ABT-510 to establish human safety and pharmacokinetic parameters. Review of these data will lead to a Go/NoGo decision for Phase II trials in the Summer of 2001.

The market

Cytotoxic agents represent the largest, and fastest growing, class of oncology agents by sales volume. The following chart summarizes the value of the current oncology market. The market for products to treat cancer is changing rapidly. It is a growing market fueled by:

- Increasing disease incidence
- New product entries
- New therapeutic paradigms
- A growing adjunctive market, which increases the number of patients eligible for chemotherapy
- Intense research and competition

The increase in the aging population in developed countries increases the incidence of cancer. The diagnosed cancer incidence and prevalence in seven major markets, including the U.S., France, Germany, Italy, Spain, U.K. and Japan are close to 3 million and 10 million respectively. The numbers are increasing steadily. Currently, about one-third of the new medicines in development are targeted against cancer.

Cancer is not a single disease, but includes more than 100 different disorders, which have at their core uncontrolled cell growth. Of these disorders, the cancer types that offer the greatest commercial opportunity include breast, colorectal, lung, ovarian and prostate (based on incidence/prevalence/unmet need). Treatment of breast, lung and prostate cancers account for more than 50 percent of the direct medical costs of cancer therapies. Other cancer types, specific to one or more of the major international markets, may provide niche opportunities. For instance, stomach (gastric) cancer is relatively common in Japan but not in the U.S. or Europe; similarly, liver cancer has a greater occurrence in Japan, Italy and Spain.

CONFIDENTIAL
JH 008188

Depending on tumor type, cancer can be treated with surgery, radiation, chemotherapy (cytotoxic), hormonal therapy or a combination of any of these. For the purpose of this analysis, we will define the cancer market as chemotherapeutics and the adjunctive therapies used to counter the effects of chemotherapy and radiation therapy. The following charts summarize the global sales for these products.

Global Sales by Market Segment (\$ MM)

	1996 Sales	1997 Sales	1998 Sales	CAGR '96-'98
Hormone	4,414	4,784	4,884	5.2%
Cytotoxic	4,278	5,212	6,268	21.0%
Adjunctive	3,357	3,651	4,166	11.2%
Total	12,059	13,647	15,318	12.7%

Source: Datamonitor
Sales by Region (\$ MM)

	1996 Sales	1997 Sales	1998 Sales	CAGR '96-'98
US	5,564	6,276	7,422	15.5%
Ex-US	6,495	7,370	7,896	10.3%

Source: Datamonitor

Chemotherapeutic agents

Cytotoxic therapies include classes such as alkylating agents, anti-tumor antibiotics, anti-metabolites and antimitotics (taxanes). These agents are toxic and demonstrate dose-limiting side effects. The commercial value of this segment is significantly understated, as most of the products are available in generic form.

The growth of the cytotoxic segment in the past three years has been driven primarily by the introduction of new, more effective and expensive therapies such as Taxol (paclitaxel/BMS), Gemzar (gemcitabine/Lilly), Taxotere (docetaxel/RPR) and Hycamtin (topotecan/SB). Utilization of these newer agents, however, appears to be dependent on the cost sensitivity of the local market. For example, secondary sources indicate that Taxol has recorded over 60% of its global sales in the US market alone and is prescribed with far less frequency in the more cost sensitive UK, German and French markets.

Most chemotherapeutic agents are indicated for just one or two cancer types, but get significant off-label use once approved. Up to 60% of an oncology product's use is potentially for off-label indications. Much of this use is driven by the publication of data and/or approvals in other countries.

Hormonal therapies

Of the top-selling drugs in each major geographical region, hormone therapies contribute approximately one-third of the sales ex-US and one-fourth in the US. Hormone therapies for the treatment of cancer include Lupron (leuprolide/TAP), Zoladex (goserelin/Zeneca), Nolvadex (tamoxifen/Zeneca) and other agents used to treat hormone responsive diseases such as prostate and breast cancer. These agents are generally administered chronically and have reduced side effects compared to cytotoxic therapies. Sales of this category are driven primarily by Lupron and Zoladex. The US market has become increasingly cost sensitive in the Medicare sector, which accounts for over 70% of Lupron sales.

Adjunctive agents

CONFIDENTIAL
JH 008189

The availability of effective adjunctive agents also allows the cytotoxic chemotherapeutic agents to be administered at higher doses and/or more frequently, or used in a more palliative role, since the adjunctive therapies can reduce the impact of the chemotherapy on the patient's quality of life. Agents in this class include immunostimulants, anti-emetics and bisphosphonates. The growth of this market is linked to the growth of the cytotoxic market, as the increased use of cytotoxic agents drives an increased use in adjunctive therapy. The highest selling product in this class is Neupogen (filgrastim/Angen) with 1998 sales of over \$1 billion.

Biologic Therapy

New therapies under development offer the promise of fulfilling several unmet needs in the treatment of cancer. Experts have predicted that in the future early therapy for breast cancer will be dominated by biological approaches, such as monoclonal antibodies (Herceptin/Genentech), which is widely thought to have strong market potential. Genentech recently reported strong second quarter sales of the product in the US of \$46.2 million, and it is estimated that if only half of US women with breast cancer who over-express this gene received Herceptin, sales would top \$600 million. In addition to monoclonal antibodies, other biological approaches include vaccines and gene therapy.

Future Trends

Emerging science in the past decade offers the potential to radically alter the paradigm for cancer therapy and presents opportunities for fundamentally new ways of approaching the disease. New therapies offer the promise of fulfilling several unmet needs in the treatment of cancer. These include matrix metalloproteinase inhibitors (MMPis), continued expansion of biologics, photodynamic therapies (PDT), anti-angiogenics, and multiple drug resistance (MDR) modifiers. This market does not yet exist, though success of "cytostatic-like" treatments, such as hormonal therapies for prostate and breast cancer, suggests that the market potential for cytostatic agents could be significant.

Competition

The angiogenesis pipeline is very competitive, but this level of intensity is somewhat skewed by the large number of mechanistic approaches that are being claimed to demonstrate angiogenic activity. Furthermore, clear evidence of efficacy for these agents has not yet been demonstrated. For the purposes of this summary, only those compounds considered true anti-angiogenic compounds have been included. Companies with compounds in clinical development include Genentech, Entremed, Sugen, TAP, Magainin and Pharmacia Upjohn.

Angiogenesis Compounds in Clinical Development

Compound	Indications	Company	Phase
Neovastat	Solid tumors	Aeterna	III
RhuMab VEGF	Cancer	Genentech	II/III
Vitaxin	Arthritis, psoriasis, CVR	txsys	II
SU-5416	Cancer	Sugen	II/III
TNP 470	Cancer, arthritis	TAP	II
Thalidomide	Cancer	Entremed/BMS	I
Squalamine, squalus	Cancer	Magainin	I
RPI 4610	Cancer	Ribozyme	I
VEGF antagonist	Cancer, retinopathy	NeXstar	I
Angiostatin/Endostatin	Cancer	Entremed	I

CONFIDENTIAL
JH 008190

Unmet Needs

Cancer remains the second leading cause of death in the United States, Europe and Japan, and consequently, offers an attractive market opportunity for the pharmaceutical and biotechnology industries. This year about 563,100 Americans are expected to die of cancer, more than 1,500 people a day. In the US, 1 or 4 deaths is due to some form of cancer. In 1999, about 1,221,800 new cancer cases are expected to be diagnosed.

For most cancers, the level of physician satisfaction with current therapies is low. It has long been recognized by researchers, physicians, patients and family members that current treatment options may often be as devastating as the underlying disease.

Unmet needs in this market vary by tumor types and stages, with some tumors responding to treatment with better mortality and/or morbidity results than others. However, cancer is still treated as a terminal illness with significant shortcomings in present treatments. In general, unmet needs include:

Need	ABT-510 Attribute
Enhanced efficacy of therapeutic agents	Potential for enhanced efficacy
Reduced toxicity	Potential for reduced toxicity over current cytotoxic treatment
Improvements in drug administration	TBD
Improved target delivery of cytotoxics and novel therapeutics	Unknown
Proven outcomes data	Quality of Life and Pharmacoeconomics to be assessed

Considerations

Product Usage: Physicians have indicated that they would use anti-angiogenic agents initially in their more refractory patients, as follow-on or add-on to current best therapy (chemo or surgical). With experience and clinical evidence, they would be willing to use these agents in earlier stages of the disease, where they perceived the greatest benefit to be. Anti-angiogenesis agents are regarded as a maintenance therapy to be used in early disease or after primary therapy as a prophylactic process to prevent the spread of malignancy. Of course, their ultimate use will depend on the benefit provided, which cannot be determined until clinical trials have been completed. Efficacy evidence in humans manifested by tumor response of the magnitude seen in the preliminary dog studies would stimulate tremendous enthusiasm in the oncology community.

Product Benefits/Efficacy: Physicians are looking for improvements in time to tumor progression and prevention of metastases with cytostatic agents. There is a great deal of enthusiasm for this mechanism in the scientific and lay audience. The concept is very intuitive. Products, such as ABT-510, that promise a clinical benefit without the usual toxic trade-offs associated with current chemotherapeutic agents, will be enthusiastically received by oncologists.

Side Effects The proposed safety profile of anti-angiogenic agents may enhance usage, as the dose limiting toxicity profiles of most of the other available agents has established a much lower hurdle for demonstrating a preferred profile. However, as chronic therapy, anti-angiogenic agents may have to demonstrate a cleaner profile than cytotoxic agents do to ensure compliance.

Off-label use: Off label use accounts for between 30-60% of an oncology product's usage. Off-label use is driven by publication of clinical trial results in credible journals, listing in key compendia and/or a peer's experience with the product. Therefore, development spend for off-label use is considerably less than the spend required for regulatory approval of an indication. However, promotion of these off-label uses is limited.

Other indications: ABT-510 may be effective in other therapeutic roles, such as arthritic diseases and macular degeneration. These other indications may offer a commercial upside, through internal development or co-development/out-licensing opportunities.

Competition: While there are a relatively large number of angiogenesis inhibitors in development, it is unclear whether they will demonstrate a superior efficacy or side-effect profile vs. ABT-510. The mechanism of angiogenesis suggests that multiple anti-angiogenic approaches may be required to maximize the clinical benefit.

COGS: Initial estimates on finished cost of drug place it in the range of Lupron costs. Depending on final dosing requirements, the cost of this compound could become a significant obstacle. However, this will need to be considered in light of the pricing flexibility in the oncology market, where there is limited pricing sensitivity for products that are reimbursed. Any financial analysis will need to include royalty obligations to Northwestern University.

Dosing: There is still some uncertainty regarding the route of administration and feasible dosage forms for ABT-510. An "inconvenient" formulation leaves this product extremely vulnerable to competitors with more convenient dosage forms. A convenient dosage form, such as a monthly depot, will enhance product adoption over a less convenient form. However, the effect of the various dosage forms on product adoption will be dependent on the benefits the compound provides, side-effect profile and availability of competitive agents with more convenient dosage forms. For chronic therapy, convenience will play an important role in market penetration, given alternative agents. Although less convenient than oral therapy, parenteral therapy (depot, but not self-administered sub-cutaneous) is currently reimbursed by Medicare in the US. Over 60% of all cancer patients have Medicare as their primary healthcare coverage in the US.

Development/Regulatory: With a new class of compounds, there is not a clearly defined clinical development path or regulatory guidelines for reference. This hurdle is similar for all the competitive products, but increases the overall development risk profile for these agents. However, with several anti-angiogenic agents in late stage development, Abbott can learn from their experience.

Other Approaches: Other "cytostatic" approaches may present a competitive threat if they are used as substitutes. Due to the complexity of the pathogenesis of cancer, it is more likely that these agents will be used in combinations, but incremental benefits may become more difficult to demonstrate as the number of products and approaches multiply. This will require additional studies, as these other classes become part of standard cancer treatment. However, this threat is not unique to this compound.

Pricing: The treatment of cancer is expensive, so there is the potential for a great deal of pricing flexibility in this market. There is also an increasing emphasis on cost-effectiveness studies that will need to be addressed in the development plan.

CONFIDENTIAL
JH 008192

CONFIDENTIAL

ABT - 518

Descriptive Memorandum

February 2001

Abbott Laboratories

CONFIDENTIAL
JH 008193

MMPi**Overview**

Abbott's Matrix Metalloproteinase Inhibitor (MMPi) program represents a novel therapeutic class, with the potential to alter the way that cancer is treated by preventing or modifying disease progression and/or metastases. This more "chronic" approach to therapy has the potential to transform cancer into a disease that patients live with, much like the effect of HIV protease inhibitors on patients with AIDS. It also has the potential to expand the cancer market significantly by increasing the average length of treatment and expanding the pool of patients eligible to receive therapy.

The MMPs comprise a family of enzymes that degrade a wide range of matrix protein substrates. High expression of these enzymes occurs in cancer and is associated with the ability of tumors to grow, invade, develop new blood vessels and metastasize.

MMP inhibitors (MMPis) may suppress the progression of tumors by several mechanisms:

- Suppress invasion/metastasis by blocking the membrane traversal and access to blood/lymphatic vessels
- Blocking the remodeling of extra-cellular matrix in the vicinity of primary tumors to prevent stroma-bound growth factors from stimulating tumor growth
- Blocking angiogenesis by preventing the proliferation and migration of endothelial cells and neovascularization of tumor.

Experimental evidence suggests that gelatinase A and gelatinase B are particularly important in tumor progression, consequently the project team has targeted gelatinase selective inhibitors for the treatment of cancer. Another reason for targeting highly gelatinase-selective MMP inhibitors relates to the side effect profile exhibited by broad-spectrum agents like marimastat. Chronic administration of marimastat causes a dose-limiting side-effect characterized by severe joint pain and stiffness. Since these joint effects may be mediated by inhibition of other MMPs like fibroblast collagenase, highly gelatinase selective agents may be efficacious without producing dose-limiting side effects.

The MMP selectivity profile exhibited by ABT-518 distinguishes it from competitor's compounds. ABT-518 possesses sub-nanomolar inhibition potencies versus both gelatinase A and gelatinase B and is substantially more selective for the inhibition of the gelatinases over fibroblast collagenase than marimastat and prinomastat. Despite its high selectivity, ABT-518 demonstrates antitumor activity equal or superior to prinomastat. Inhibition of tumor growth is dose dependent in both syngeneic and xenograft models. ABT-518 is also effective in blocking vessel formation in a mouse model of angiogenesis. ABT-518 is a stable crystalline solid which can be synthesized in six steps (25% overall yield) from commercial starting material.

ABT-518 gives rise to sustained plasma concentrations following single oral dosing in monkeys, dogs and rats. Bioavailabilities range between 68 and 93% depending on formulation and species. Several metabolites are produced after repeated oral dosing of ABT-518, although their relative amounts varies with gender and species.

ABT-518 displays no meaningful effects in genotoxicity, cytotoxicity and ligand binding assays and its cardiovascular effects in dogs are unremarkable. ABT-518 produces no significant toxic effects in rats treated with 100 mg/kg/day over 28 days. Plasma concentrations generated by ABT-518 in these studies are at least 20-fold higher than those necessary to produce efficacy in cancer animal models. ABT-518 is therefore a compelling development candidate with the potential to

CONFIDENTIAL
JH 008194

2

demonstrate antitumor effects superior to the MMP inhibitors currently undergoing clinical trials. Phase 1 clinical trials in cancer patients began March 2001.

The market

Currently, cytotoxic agents represent the largest, and fastest growing, class of oncology agents by sales volume. The following chart summarizes the value of the current oncology market.

Global Sales by Market Segment (\$ MM)

	1996 Sales	1997 Sales	1998 Sales	1999 Sales (est)	CAGR '96-'98
Hormone	4,414	4,784	4,884	5,000	5.2%
Cytotoxic	4,278	5,212	6,268	7,300	21.0%
Adjunctive	3,367	3,651	4,166	4,900	11.2%
Total	12,059	13,647	15,318	17,200	12.7%

Source: Datamonitor

Sales by Region (\$ MM)

	1996 Sales	1997 Sales	1998 Sales	1999 Sales (est)	CAGR '96-'98
US	5,564	6,276	7,422	8,500	15.5%
Ex- US	6,495	7,370	7,896	8,700	10.3%

Source: Datamonitor

Cytostatic agents have the potential to alter the way cancer is treated and presents opportunities for fundamentally new ways of approaching the disease. This cytostatic market does not yet exist, though success of more cytostatic "like" treatments, such as hormonal therapies for prostate and breast cancer, suggest that the market potential for cytostatic agents could be significant.

The ultimate commercial and clinical success of the MMPi will depend on the clinical benefit this product provides in key cancer types compared with current best therapy. These can be benefits provided by dosing this agent in addition to current therapy and/or as an alternative to best therapy, or as a new component of best therapy. All currently available products, including the market leaders such as Taxol, have significant shortcomings in their profiles.

However, as novel therapy, MMPis will probably be adopted initially as add-on the current chemotherapy. As benefits are proven and clinical experience is gained, these agents may be used in earlier stages of cancer and/or in conjunction with surgery or radiation to prevent the progression of any microscopic disease that remains.

The clinical targets identified for this compound include late stage pancreatic cancer, late stage NSCL cancer (on-label), with late stage ovarian and breast cancer as additional cancer types where efficacy has been demonstrated, but not filed. Other cancer types this compound may be efficacious in include SCL, colorectal, bladder, stomach and prostate. Targets will be refined as we know more about this compound's in-vivo activity.

CONFIDENTIAL
JH 008195

The following tables summarize the key marketed competitive products by indication (US data only):

Late Stage Breast	
Product	Share
Cyclophosphamide/Cytoxan/BMS	18.7
Doxorubicin/Adriamycin/P&U	17.11
Docetaxel/Taxotere/RPR	16.25
Paclitaxel/Taxol/BMS	16.11
Trastuzumab/Herceptin/Genetech	11.26

Late Stage NSCL	
Product	Share
Carboplatin/Paraplatin/BMS	50.32
Paclitaxel/Taxol/BMS	44.14
Vinorelbine/Navelbine/Glaxo	22.78
Gemcitabine/Gemzar/Lilly	22.14
Cisplatin/Platinol/BMS	11.28

Late Stage Ovarian	
Product	Share
Paclitaxel/Taxol/BMS	47.11
Carboplatin/Paraplatin/BMS	45.42
Topotecan/Hycamlin/SKB	22.54
Dox SU/Doxil/Alza	9.14
Cisplatin/Platinol/BMS	7.58

Late Stage Pancreas	
Product	Share
Gemcitabine/Gemzar/Lilly	78.5
5-FU/Fluorouracil/ICN Pharma	21.0
Leucovorin/	10.7
Cisplatin/Platinol/BMS	4.72

Compounds in Development

The MMP inhibitor field is competitive. More than 30 firms have filed patents claiming small molecule MMP inhibitors over the past 5 years, and several companies have compounds in advanced clinical development. Abbott's compound may be 3rd or 4th to market and will have to demonstrate a competitive advantage to gain the share necessary to support the clinical development of this compound. Companies with compounds in advanced clinical development for the treatment of cancer include Agouron/Warner Lambert/Pfizer, British Biotechnology/Schering Plough and BMS and are listed below. Other companies are targeting this mechanism for arthritis.

MMPs in Clinical Development for Cancer

CONFIDENTIAL
JH 008196

Compound	Company	Comments	Phase
Marimistat	British Biotechnology/ Schering Plough	Broad spectrum, dose limiting toxicity. Activity seen in gastric cancer, but negative results in pancreatic.	III
Prinomastat	Agouron/ Wamser Lambert/ Pfizer	Moderate gelatinase selectivity, dose limiting toxicity. May be dosing sub-optimally to avoid toxicity. Efficacy data not available.	III
BMS 275291	BMS	Broad spectrum, joint effects seen in Phase I studies.	II

Bayer recently dropped development of BAY 12-9566 due to concerns about potential toxicity. Recent results from a study with marimistat in pancreatic cancer, where adding marimistat to Gemzar resulted in no survival advantage, has led to speculation that MMPs may be more applicable in less aggressive cancer types or earlier stages of the disease. Alternatively, it could be a reflection of the inability to examine higher doses of marimastat due to joint effects.

The joint effects produced by the compounds listed above almost certainly preclude their long-term use, limit compliance and reduce optimal efficacy. Any MMP inhibitor that lacks these side effects will possess a substantial competitive advantage. The musculoskeletal effect produced by marimastat and prinomastat in cancer patients is typically described as arthralgia, myalgia and tendinitis, which occurs predominately in the upper limbs. While mild cases respond to analgesics, interrupting therapy for a period of approximately 2 weeks is necessary when the condition is less well tolerated.

Although Abbott's timing to market is not optimal, the shortcomings of the competitive products provide an opportunity for a compound with an improved SE or efficacy profile. Current animal models seem to predict Abbott's compound is superior to those currently in clinical trials, and has the potential to be best in class.

Product profile

The objective of a product profile at this time in the product's development is to provide a target for the types of attributes that will be required to be commercially successful. This profile is based on market research with oncologists and consultation with opinion leaders. This profile will continue to be refined as more is known about this product's profile, development of competitive products and the market continues to evolve.

CONFIDENTIAL
JH 008197

	Base	Optimal
Efficacy	ABT-518, alone or in combination with best therapy, provides at least one of	Provides more than one of the efficacy benefits outlined.

	<p>the following benefits in at least one solid tumor type:</p> <ul style="list-style-type: none"> Increased survival Tumor regression Improved quality of life Increased time to tumor/disease progression 	
Competitive advantage	ABT-518 will need to demonstrate a clinically significant advantage in efficacy (see parameters above) or additive synergistic activity with current/competitive agents or clinically significant advantage in side-effect profile relative to other MMPi agents.	Same
Administration	Convenient administration relative to competitive agents.	Same plus reimbursement in US market.
COGS	A finished cost of goods that is consistent with at least an 80% standard manufacturing margin.	A finished cost of goods that is consistent with at least a 90% standard manufacturing margin.

Marketing overview

Product Usage: Physicians have indicated that they would use MMPi's initially in their more refractory patients, as follow-on or add-on to current best therapy (chemo or surgical). With experience and clinical evidence, they would be willing to use these agents in earlier stages of the disease, where they perceived the greatest benefit to be. The MMPi was regarded as a maintenance therapy to be used in early disease or after primary therapy as a prophylactic process to prevent the spread of malignancy.

Product Benefits/Efficacy: Physicians are looking for improvements in time to tumor progression and prevention of metastases with cytostatic agents. The MMPi mechanism has more recently been implicated as having an even more active role in cancer pathogenesis, from preventing primary tumor growth to anti-angiogenic properties. Positive results from competitive agents, such as marimistat in gastric cancer, provides proof of principle for this mechanism.

Side Effects: The proposed safety profile of MMPi's (excluding joint toxicity) may enhance usage, as the dose limiting toxicity profiles of most of the other available agents has established a much lower hurdle for demonstrating a preferred profile. However, as chronic therapy, MMPi's may have to demonstrate a cleaner profile than cytotoxic agents do to ensure compliance. As the 3rd or 4th MMPi to market, SE hurdles will be even higher for this compound. As a critical Go/No Go decision point, the joint toxicity of this compound will be evaluated in an expanded Phase I multi-dose study.

Dosing: Discovery is currently targeting an oral dosage form. In general, oral therapies are acknowledged by physicians and patients as being more convenient to the patient. Chronic oral dosing may also reduce overall costs, as infusion support products and personnel would not be required, enhancing pharmacoeconomic evidence.

COGS: Initial estimates on finished cost of drug suggest that drug costs will not be significant for this compound

CONFIDENTIAL
JH 008198

Off-label use: Off label use accounts for between 30-60% of an oncology product's usage. Off-label use is driven by publication of clinical trial results in credible journals, listing in key compendia and/or a peer's experience with the product. Therefore, development spend for off-label use is considerably less than the spend required for regulatory approval of an indication. However, promotion of these off-label uses is limited.

Competition: As the 3rd or 4th MMPi to market, Abbott's compound will need to demonstrate a meaningful clinical advantage over compounds that are in more advanced development. Strict Go/No Go criteria will determine if the MMPi can meet these hurdles. If they cannot be met, the compound will not move forward.

Development/Regulatory: With a new class of compounds, there is not a clearly defined clinical development path or regulatory guidelines for reference. This hurdle is similar for all the competitive products, but increases the overall development risk profile for these agents. However, with several MMPis in late stage development, Abbott can learn from their experience.

Other Approaches: Other "cytostatic" approaches may present a competitive threat if they are used as substitutes. Due to the complexity of the pathogenesis of cancer, it is more likely that these agents will be used in combinations, but incremental benefits may become more difficult to demonstrate as the number of products and approaches multiply. This will require additional studies, as these other classes become part of standard cancer treatment. However, this threat is not unique to this compound.

Pricing: The treatment of cancer is expensive, so there is the potential for a great deal of pricing flexibility in this market. However, as an oral therapy in the US market, there may be additional downward price pressure for this agent. There is also an increasing emphasis on cost-effectiveness studies that will need to be addressed in the development plan.

Dosing: Discovery is currently targeting an oral dosage form. In general, oral therapies are preferred by physicians and patients because of the convenience to the patient. However, this form may not be the best choice for some people who already have certain digestive system symptoms (vomiting, diarrhea, or severe nausea), cannot swallow liquids or pills, or cannot remember when or how many pills to take. Additionally, in the US market there are several unique factors that currently do not favor oral therapies. Novel oral therapies are not currently reimbursed by Medicare, a significant payer for the oncology patient population. Also, 40-60% of a community oncologist's income is generated through the administration of IV drugs. An oral therapy would not be a source of revenue to the physician.

Clinical Studies

Clinical studies across a wide range of solid tumors will be initiated, including but not limited to breast cancer, non small cell lung cancer, ovarian cancer, pancreatic cancer, etc...

Final indications pursued will depend from the results of the phase II studies.

CONFIDENTIAL
JH 008199

CONFIDENTIAL

Farnesyltransferase Inhibitor

Descriptive Memorandum

February 2001

Abbott Laboratories

**CONFIDENTIAL
JH 008200**

Overview

The Ras genes were the first oncogenes of mammalian origin to be discovered. Intensive research over the last decade has led to the elucidation of the normal function of cellular Ras protein, the role of Ras mutations in oncogenic transformation, and the identification of molecular targets, such as the enzyme farnesyltransferase, for inhibiting Ras activity. Although farnesyltransferase inhibitors (FTIs) were initially designed with the intention of inhibiting the posttranslational prenylation, and hence function, of Ras, it is now becoming apparent that farnesylated proteins other than Ras (e.g., RhoB) are also critical for malignant growth and may be the relevant target for inhibition of farnesylation. While it remains controversial whether blocking Ras activity or altering the RhoB prenylation status is the actual function of an FTI, these agents, exemplified by ABT-839 and FTIs in the clinic, exhibit remarkable anticancer activity against a wide variety of tumors in preclinical models. The current FTI program is projected to reach DDC status in January, 2001.

Abbott evaluated one FTI, ABT-839, in normal volunteers, but decided to discontinue development of this drug due to its poor pharmacokinetic profile. Invaluable experience was gained, however, from both the preclinical and clinical studies with this compound. Abbott's second-generation series are novel structures that exhibit significantly improved potency and oral bioavailability.

There continues to be tremendous enthusiasm in the medical community and pharmaceutical industry for this mechanism of action. Farnesyltransferase inhibitors have demonstrated impressive antitumor activity in preclinical models with activity equivalent to or better than that achieved with conventional cytotoxic chemotherapy given at the maximal tolerated dose. These agents appear to inhibit angiogenesis and, consistent with this activity, minimal resistance has been observed in preclinical models. The potential also exists for synergistic activity in combination with cytotoxic chemotherapy.

The market

Cancer remains the second leading cause of death in the US, and consequently is an attractive market opportunity for the pharmaceutical/biotechnology industries. Approximately 40% of all Americans will develop cancer in their lifetime.

The worldwide cytotoxic and hormonal cancer therapies market is highly fragmented with only BMS and Zeneca holding a greater than 10% market share. Although the market is not concentrated, the field is highly competitive with more than 60 companies focused on the cancer research area. The growth of the oncology market is fueled by increasing disease incidence, new product entries, new therapeutic approaches, a growing adjunct therapy market that expands the number of patients eligible for chemotherapy, and intensified research competition. The data in Tables 1 and 2 summarize the value of the current oncology market. A great deal of uncertainty surrounds the concept of cytostatic treatment of cancer. Conceptually it may transform the way cancer is treated, allowing patients longer disease free survival and improved quality of life. However, at this point in development, this paradigm does not exist in cancer. Considering market, clinical and patient dynamics factors, breast, colorectal, prostate and non-small cell lung cancers are the most attractive targets for development.

CONFIDENTIAL
JH 008201

Table 1. Global sales by market segment (\$ MM)

	1996 Sales	1997 Sales	1998 Sales	1999 Sales (est.)	CAGR '96-'98
Hormone	4,414	4,784	4,884	5,000	5.2%
Cytotoxic	4,278	5,212	6,268	7,300	21.0%
Adjunctive	3,367	3,651	4,166	4,900	11.2%
Total	12,059	13,647	15,318	17,200	12.7%

Source: Datamonitor

Table 2. Sales by region (\$ MM)

	1996 Sales	1997 Sales	1998 Sales	1999 Sales (est.)	CAGR '96-'98
US	5,564	6,276	7,422	8,500	15.5%
Ex-US	6,495	7,370	7,896	8,700	10.3%

Source: Datamonitor

Cytostatic agents have the potential to alter the way cancer is treated and presents opportunities for fundamentally new ways of approaching the disease. This cytostatic market does not yet exist, though success of more cytostatic "like" treatments, such as hormonal therapies for prostate and breast cancer, suggest that the market potential for cytostatic agents could be significant.

The ultimate commercial and clinical success of the FTI will depend on the clinical benefit this product provides in key cancer types compared with current best therapy. These can be benefits provided by dosing this agent in addition to current therapy and/or as an alternative to best therapy, or as a new component of best therapy. All currently available products, including the market leaders such as Taxol, have significant shortcomings in their profiles.

However, as novel therapy, FTIs will probably be adopted initially as add-ons to current chemotherapy. As benefits are proven and clinical experience is gained, these agents may be used in earlier stages of cancer and/or in conjunction with surgery or radiation to prevent the progression of any microscopic disease that remains.

The clinical targets identified for this compound include late stage pancreatic cancer, late stage NSCL cancer (on-label), with late stage ovarian and breast cancer as additional cancer types where efficacy has been demonstrated, but not filed. Other cancer types this compound may be efficacious in include SCL, colorectal, bladder, stomach and prostate. Targets will be refined as we know more about this compound's in-vivo activity.

The following tables summarize the key marketed competitive products by indication (US data only):

Late Stage Breast	
Product	Share
Cyclophosphamide/Cytoxan/BMS	18.7
Doxorubicin/Adriamycin/P&U	17.11
Docetaxel/Taxotere/RPR	16.25
Paclitaxel/Taxol/BMS	16.11
Trastuzumab/Herceptin/Genetech	11.26

CONFIDENTIAL
JH 008202

Late Stage NSCL	
Product	Share
Carboplatin/Paraplatin/BMS	50.32
Paclitaxel/Taxol/BMS	44.14
Vinorelbine/Navelbine/Glaxo	22.78
Gemcitabine/Gemzar/Lilly	22.14
Cisplatin/Platinol/BMS	11.28

Late Stage Ovarian	
Product	Share
Paclitaxel/Taxol/BMS	47.11
Carboplatin/Paraplatin/BMS	45.42
Topotecan/Hycamtin/SKB	22.54
Dox SL/Doxil/Alza	9.14
Cisplatin/Platinol/BMS	7.58

Late Stage Pancreas	
Product	Share
Gemcitabine/Gemzar/Lilly	78.5
5-FU/Efudex/ICN Pharma	21.0
Leucovorin/	10.7
Cisplatin/Platinol/BMS	4.72

Emerging science within the past decade has radically altered the paradigm for cancer therapy and presents opportunities for fundamentally new ways of approaching the disease. Abbott has multiple discovery cytostatic targets, which may improve effective, but we are not alone: more than 200 compounds from other players are in development. The goal of cytostatic therapy is to improve quality of life, controlling the disease and transforming aggressive treatment to a chronic condition, which has been compared to the impact of protease inhibitors on the course of HIV.

Clinical Studies

Considering all the factors, market, clinical and patient dynamics, breast, colorectal, prostate and non-small cell lung cancer appear to be the most attractive targets for development. The development of cytostatic agents faces a number of challenges as regulatory agencies and physicians evaluate the new emerging paradigm of cancer therapy.

Despite the enormous medical need, drugs for chronic treatment/disease stabilization and improved quality of life for cancer patients do not yet exist. Correspondingly, animal models test efficacy that has not yet been validated as predictive of response in humans. Medical oncologists have historically depended on determination of maximum tolerated dose and response manifested by tumor shrinkage for cancer drug development. These parameters are not relevant to novel "cytostatic" agents. Combination with conventional cytotoxic drugs will be required in the near term and will have to be determined empirically. Intermediate and surrogate measures of biological response will have to be developed. Regulatory agencies are grappling with the same issues.

CONFIDENTIAL
JH 008203

Competition:

Within Project Approach

Company	Compound	Indication	Status of compound	Status of project
Janssen Pharmaceutica	R-11577 (A-251076)	Cancer (unspecified)	Phase III	active
Schering-Plough	Sch66336 (A-285622)	Cancer (unspecified)	Phase II	active
Merck	L-778123	Cancer (unspecified)	Phase I (I.v.) abandoned	unknown
Bristol-Myers Squibb	BMS-214662	Cancer (unspecified)	Phase I	active
LG Chemical	LB 42908	Cancer (unspecified)	preclinical	active
Rhône-Poulenc, Rorer	quinacrine derivatives	Cancer (unspecified)	preclinical	active
Pfizer	unknown structure	Cancer (unspecified)	preclinical	active
Parke-Davis	unknown structure	Cancer (unspecified)	preclinical	abandoned project
Roche	peptidomimetics	Cancer (unspecified)	preclinical	abandoned project
Elai	peptidomimetics	Cancer (unspecified)	preclinical	unknown
Banyu	FFP mimetic	Cancer (unspecified)	preclinical	active
ISIS	ISIS-2503 (ras antisense)	Cancer (unspecified)	Phase I	active

Within Therapeutic Area

Approach	Selected Compounds	Company(ies)	Status
antisense	ISIS 3524, ISIS 5132	ISIS	phase I
cytotoxic agents	camptothecin, CI-888, farestin, Genzax, Hycamtin, indanubicin, Novantrone, Onconase, Capecitabine, Tenaxider	P&U, Warner-Lambert, Schering, Lilly, SKB, P&U Immunex, Allacell, Roche, Zeneca	most phase III
differentiation	targretin, panretin, 5-azacytidine	Ligand, HCl	Ligand in phase III
drug resistance modifiers	VX-710, 776C25, RMP-7, CT-2584	Vertex, Glaxo Wellcome, Alkermes, Cell Therapeutics	Vertex in phase II
gene therapy	Onyx-015, MDx1, GLJ-328, IL-2, GV-1301	Onyx, Introgen, Therion Biologics, Theragen, Genetic Therapy, CycloCell, RPR Genetec, GeneMedicine, Titan, etc	Restricted to accessible cancers. Most advanced: Phase III
hormonal therapy	Zoladex, amideks, droloxifen, Oncolar, Färtzer, Casodex, togefinide	Zeneca, Pfizer, Novartis, Janssen, US bioclence	most phase III
immunotherapy	antibodies	IDEC, Genetech, InClone	IDEC recently approved, others phase III
cytotoxins	IL-12, IL-4, Prolestin, Roleron-A	Roche, Schering, Chiron, Roche	phase III
vaccines	rV-gp100, Genevac, MGv	Apolon, Therion, Progenics	phase I, II
photodynamic	phthalocyanine, promycin	CLT photo, Vion	phase III
radiation sensitizers	Nes-Sensamide, radiol	Oxipene, Roberts	phase II, III
metalloproteinase inhibitors	marimastat, AG-3340, GGS-27023A	British Biotech, Agouron, Novartis, Bayer	BBT in phase III
angiogenesis inhibitors	TNP-470, SU-5416, anti VEGF-mAb, thalidomide, DC101	TAP, Sugen, Genentech, Endremer, InClone, etc	see angiogenesis project review for details

CONFIDENTIAL
JH 008204

Competitive Analysis

The project is on par with others in the industry. While second generation Abbott compounds are not yet in clinic, all of the compounds from other companies that are in clinical trials have deficiencies. While the Schering compound has the best oral PK profile, it is not particularly potent. The Janssen compound is potent, but has a poor PK profile. The Merck compound exhibited QTc prolongation and development has been stopped. The Bristol Myers Squibb compound, BMS-214662, which is in phase I, is an *in vitro* submicromolar inducer of apoptosis in human tumor cells and appears to be the most potent inducer of apoptosis of the known FTIs. This compound could have a different mechanism of action from the classical FTIs and have its own liabilities. LG42908 from LG Chemical is potent FTI and has good oral bioavailability (F=91% in monkey), however, it's a CYP3A4 inhibitor and will have significant drug-drug interaction liabilities. Extensive preclinical pharmacology at Abbott has defined optimum parameters for a FTase inhibitor that may not be known to our competitors, or be achievable with the current generation of FTIs. Although not yet established, we anticipate that the Abbott compound will be improved over competitors' compounds with respect to potency, oral bioavailability, half-life, toxicity, efficacy, angiogenesis inhibition, and lack of resistance.

CONFIDENTIAL
JH 008205

CONFIDENTIAL

**DOPAMINE RECEPTOR AGONIST
PROGRAM**

Descriptive Memorandum

February 2001

Abbott Laboratories

**CONFIDENTIAL
JH 008206**

CONFIDENTIAL

D4 Agonists for Male Erectile Dysfunction

Scientific Overview

Male erectile dysfunction (MED) is defined as the "inability to maintain an erection sufficient for satisfactory sexual intercourse" (NIH Consensus Panel) and results from physiological (organic), psychogenic causes, or a combination thereof. This disorder is associated with decreased quality of life, including personal well being, and diminished family and social relationships. In 1999, an estimated 77 million men over the age of 40 (52% of men over 40 years-old) in the seven major pharmaceutical markets experienced some degree of MED, and the prevalence increases with age. Approximately 10-20% of patients have severe or complete MED, and the majority of the population suffers from moderate disease. While the introduction of Viagra has increased the diagnosis rate of MED in the U.S., 75% or more of patients do not seek treatment. However, as the "baby boomer" generation ages, MED will become a more prominent concern and a growing number of patients are likely to seek treatment.

Abbott's male erectile dysfunction program targeting D4 dopamine receptors represents a novel therapeutic approach to the rapidly growing male erectile dysfunction (MED) market. The current gold standard for the treatment of MED, Viagra, acts peripherally at the penile smooth muscle level to induce erection by modulating the levels of cGMP. In contrast, a selective D4 dopamine agonist will act in the brain at the sites necessary for initiation of a successful erection. Targeting the D4 receptors in brain offers the potential for efficacy in patients with MED that do not respond to Viagra (for example patients with diabetes). Additionally, targeting D4 receptors should not result in any cardiovascular adverse events unlike Viagra which can cause serious cardiovascular effects in patients who are on nitroglycerine-based medications. Since safety is of paramount importance for any life-style disorder like MED, a new agent that does not have any contraindications or warnings related to safety issues may be positioned to become the gold-standard therapy.

Evidence for the potential of a selective D4 dopamine receptor agonist for the treatment of erectile dysfunction includes:

- The non-selective dopamine receptor agonist apomorphine (UprimaTM) has been shown to be effective in phase III clinical trials, and has received scientific approval for market in the EU, for the treatment of MED. This validates the utility of dopaminergic agonists to facilitate penile erections in humans. However, the clinical development of apomorphine for the US market has been hampered by dose limiting side-effects (emesis and syncope).
- Studies at Abbott have established that the efficacy of apomorphine (penile erection) and side-effect (emesis) are mediated by different dopamine receptor subtypes. There are 5 known dopamine receptors. Abbott scientists have discovered that the selective activation of D₄ receptors can facilitate penile erection in animals, while the D₂ receptor appears to mediate the emetic effect of apomorphine. The discovery of a D₄ selective agonist maximizes the possibility to identify a compound with equivalent/superior efficacy to apomorphine but devoid of its side-effect liabilities.

PPD is currently screening the Abbott library of compounds to identify novel and proprietary D4 dopamine receptor compounds. Initial hits have been identified that are as potent as any known D4 dopamine receptor agonist. The strategy is to aggressively profile these hits for selectivity across the five different dopamine receptor subtypes and to ensure that selective agents are effective in a number of preclinical in vivo models of MED and have no emetic or cardiovascular side effects. The D4 dopamine receptor agonist program will be discontinued if selective D4 agonists do not achieve at least a 30-fold separation between efficacy in a model of MED and cardiovascular/emetic side effects.

CONFIDENTIAL

CONFIDENTIAL
JH 008207

Abbott has a competitive advantage in the race to exploit selective D4 dopamine receptor agonists for MED. A patent application covering the use of any selective D4 agonist for the treatment of MED has been filed and no other pharmaceutical company may have the range of preclinical models of efficacy and safety in addition to access to the clinical information gained from the development of apomorphine. Our molecular modeling group has facilitated advances in the design of selective D4 agonists.

Market Analysis

The introduction of Viagra combined with increased disease awareness resulted in the MED market in the US exploding from \$157MM in 1997 to an estimated \$726MM in 2000. Worldwide, this market has seen similar growth, and is estimated at \$500MM for ex-US for 2000. Viagra currently dominates the MED market, with more than \$1 billion in sales in the \$1.3 billion worldwide market in 1999, and >95% of the MED prescriptions in the US. The market growth is expected to continue, with an estimated CAGR in the US of 17.9% (2000 – 2005), fueled by increased awareness of MED, expanded use to wider patient segments for relationship or performance enhancement, and the introduction of heavily promoted new agents. Downward pressure on growth will come from continued perceptions of safety concerns, the limited efficacy of Viagra™, and out-of-pocket cost to patients.

Market drivers influencing the potential of a D4 dopamine receptor agonist include:

- Patient Awareness and Demand Viagra has built considerable awareness of MED. However, in the US, only 10-25% of current MED patients seek treatment for this disorder. Ex-US the percentage of patients seeking treatment is lower (10%). This is mainly due to the lack of DTC promotional campaigns in the ex-US markets. Further market expansion requires continued patient and physician education.
- Product Safety There are growing patient and regulatory concerns regarding the safety of Viagra. While, physicians currently perceive Viagra™ to be safe, if used by the correct patients, there is significant concern regarding the concomitant use of nitrates for cardiovascular disorders with Viagra. Approximately 10% of Viagra patient deaths have been attributed to use of nitrates. Thus, there is an opportunity to eliminate this concern for physicians and to expand the market.
- Product Efficacy In clinical trials Viagra allowed successful intercourse in about 50% of attempts. The limited and inconsistent efficacy of the product has resulted in patient dissatisfaction and discontinuation, thus creating a chance to drive Viagra quitters or switchers, as well as new patients, to new, more effective, MED products. The demonstration of efficacy in a broader population of MED patients might also influence physicians to try an alternative product prior to Viagra. The delay in onset (~1hr) and the variability in onset of action from patient to patient is an additional complaint about Viagra. Product features of a selective D4 agonist such as a more rapid onset of action or more reproducible onset will have a positive influence on the market opportunity for MED therapies.
- Additional Indications Use of a D4 dopamine receptor agon in other indications such as "relationship enhancement" (female sexual dysfunction and age-related decline in male sexual performance) offers an opportunity to both expand the potential market to include women and non-MED sufferers, and reduce the embarrassment of MED for patients. Additional research is required to identify meaningful endpoints in this expanded indication. Initial studies conducted by Pfizer showed that Viagra™ was not effective to treat female sexual dysfunction.

CONFIDENTIAL

CONFIDENTIAL
JH 008208

Competitive Overview

The following tables summarize the key competitive activities in regard to marketed products and products in the development pipeline. To date there are no reports any other company targeting selective D4 agonists for the treatment of MED, although a number of companies do have activities in the dopamine receptor arena for other indications that could be re-focused to MED if they became aware of Abbott's insights into the D4 receptor.

A. Oral agents

Approach	Compound/Product	Company(ies)	Status
PDE5 inhibition	Sildenafil (Viagra TM)	Pfizer	Marketed
DA receptor	Apomorphine (Uprima TM)	TAP	NDA filing withdrawn
Adrenergic	Phenolamine (Vasomax TM)	Schering-Plough/Zenagen	NDA filing on hold (>1 year)
PDE5 inhibition	IC351 (Cialis TM)	ICOS-Lilly	Phase III
PDE5 inhibition	Vardenafil	Bayer	Phase II-III

B. Intranasal

Approach	Compound/Product	Company(ies)	Status
DA receptor	Nasal apomorphine	Nastech	Phase II

C. Intracavernosal agents

Approach	Compound/Product	Company(ies)	Status
EP receptor	PGE ₁ (Caverjel TM , Edex TM)	Pharmacia, Schwarz Pharma	Marketed
VIP receptor/ Adrenergic	VIP-phenolamine (Invicorp TM)	Senetek	Marketed outside US
K channels	PNU 83757	Pharmacia	Phase II

D. Intraurethral agents

Approach	Compound/Product	Company(ies)	Status
EP receptor	PGE ₁ (Muse TM)	Vivus, Abbott	Marketed

E. Topical

Approach	Compound/Product	Company(ies)	Status
EP receptor	PGE ₁ (Alprox-TD, Topiglan)	NextMed, MacroChem	Phase II and III

CONFIDENTIAL
JH 008209

CONFIDENTIAL

MAR. 13. 2001 12:29PM

NO. 2199 P. 2/3

Brian J. Smith
Assistant Secretary and Divisional Vice President
Domestic Legal Operations
Abbott Laboratories
100 Abbott Park Road
Abbott Park, Illinois 60064

March 13, 2001

John Hancock Life Insurance Company
Investors Partner Life Insurance Company
John Hancock Variable Life Insurance Company
Attention: Stephen J. Blewitt
John Hancock Place
P.O. Box 111
Boston, MA 02117

Ladies and Gentlemen,

I have acted as counsel for Abbott Laboratories, an Illinois corporation (the "Company"), in connection with the Company's collaboration with John Hancock Life Insurance Company, a Massachusetts corporation, Investors Partner Life Insurance Company, a Massachusetts corporation, John Hancock Variable Life Insurance Company, a Delaware corporation (collectively, "John Hancock") pursuant to the Research Funding Agreement made as of March 13, 2001 (the "Research Funding Agreement"). Capitalized terms used herein without definition have the meanings assigned to them in the Research Funding Agreement.

In connection with the opinions expressed herein, I have made such examination of matters of law and of fact as I considered appropriate or advisable for purposes hereof. As to matters of fact material to the opinions expressed herein, I have relied upon certificates and statements of government officials and of officers of the Company. I have also examined originals or copies of such corporate documents or records of the Company as I have considered appropriate for the opinions expressed herein. I have assumed for the purposes of this opinion the genuineness of all signatures (other than those of individuals signing on behalf of the Company which are genuine), the legal capacity of natural persons, the authenticity of the documents submitted to me as originals, the conformity to the original documents of all documents submitted to me as certified, facsimile or photostatic copies, and the authenticity of the originals of such copies.

CONFIDENTIAL
JH 008210

MAR. 13. 2001 12:29PM

NO. 2199 P. 3/3

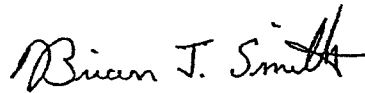
John Hancock Life Insurance Company
Investor Partner Life Insurance Company
John Hancock Variable Life Insurance Company
March 13, 2001
Page 2

Based upon the foregoing, and subject to the qualifications and limitations stated herein, I am of the opinion that: (i) the Company is duly organized, validly existing and in good standing in the State of Illinois; (ii) the Company has the requisite corporate power and authority to execute, deliver and perform the Research Funding Agreement; (iii) the Research Funding Agreement has been duly and validly authorized by the Company, and duly executed and delivered by an authorized officer of the Company and constitutes a valid and binding legal obligation of the Company enforceable against it in accordance with its terms; (iv) the performance of the Research Funding Agreement by the Company does not constitute a breach or violation of its organizational documents or any other agreement or understanding, written or oral, to which the Company is a party or any existing law, statute, rule or regulation by which the Company is bound; (v) no consents or approvals of any court or governmental authority is required on the part of the Company in connection with the execution, delivery, and performance of the Research Funding Agreement; (vi) there is no litigation pending, or to my knowledge threatened, which calls into question the validity of the Research Funding Agreement.

My opinion expressed above is limited to the law of the State of Illinois and the federal law of the United States, and I do not express any opinion herein concerning any other law.

The opinion set forth herein is rendered only to you and solely for your benefit in connection with the above described transactions. This opinion may not be relied upon by you for any other purpose, or relied upon by any other person for any purpose, without my prior written consent.

Very truly yours,



Anti-Mitotic (ABT-751) 2001 Plan Development Cost Summary

Program Status		2001 Plan Development Cost Summary																							
		1998			1999			2000				2001				2002				2003				2004	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Phase I																									
Phase II																									
Phase III																									
		↑ In-license																							
Major Development Activities and Costs																									
Clinical Program		Total Patients										Enrolled as of 8/31/02		Start		End		2000 AGU Cost		2001 Plan Cost					
Multiple Dose in Cancer Patients #1		24										...		Jan-2001		Nov-2001		...		\$600					
Multiple Dose in Cancer Patients #2		24										...		Apr-2001		May-2002		...		\$466					
Safety and Efficacy #1-#6		180										...		Aug-2001		Oct-2002		...		\$1,092					
Other Studies / EVR																		...		\$2,762					
Venture Management																				\$412					
Data Management/Statistics																				\$5,333					
Chemistry, Manufacturing, and Controls (CMC)																									
Formulation / Analytical																		...		2000 AGU		2001 Plan			
																						\$2,300			
Drug Safety Support																									
Ongoing Drug Safety support.																		...		2000 AGU		2001 Plan			
																						\$1,685			
Other Support Costs																									
Discovery																		...		2000 AGU		2001 Plan			
																						\$26			
Medical Affairs																		...				...
Regulatory Affairs / Research Quality Assurance																		...		\$301		...			
Other / In-Licensing Fees																		...		\$6,000		\$252			
Total Program																		...		\$6,000		\$10,000			

CONFIDENTIAL

CONFIDENTIAL
JH 008130

FTI (ABT-xxx)
Annual Development Plan
Exhibit 1.6

Therapeutic Area Indications	Oncology		Solid Tumors such as Adia, breast, ovary, bladder and pancreas.	
	<ul style="list-style-type: none"> - Farnesyltransferase inhibitor. - Mechanism of action is unknown, but thought to inhibit farnesylated proteins which are integral for malignant tumor growth. 			
Description				
Current Time Line	Milestones	Date	Spending	
	DOC Phase I Phase II Phase III NDA Filing Launch	1Q/2001 4Q/2001 2Q/2003 3Q/2004 4Q/2006 4Q/2007	Project-to-Date Spending (thru '00) 2001 Current Projection (Plan) • See page 2 for detail.	
Projected Spending by Year	2000	2001	2002	Total
	N/A	6.0	16.0	99.0
			2003	2004
			30.0	18.0

CONFIDENTIAL
JH 008131

Woidat Deposition Exhibit 5

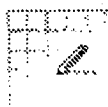
P's Exhibit IV



Robert E
Funck/LAKE/PPRD/ABBOTT
03/27/2001 06:13 PM

To: Thomas E Woidat/LAKE/PPRD/ABBOTT@ABBOTT
cc: Mike A Higgins/LAKE/PPRD/ABBOTT@ABBOTT, William A
Brown/LAKE/PPRD/ABBOTT@ABBOTT
bcc:
Subject: Re: 773 presentation

Go ahead and include the \$500M in the apu.
Thomas E Woidat



Thomas E Woidat
03/27/2001 06:04 PM

To: Robert E Funck/LAKE/PPRD/ABBOTT@ABBOTT
cc: Mike A Higgins/LAKE/PPRD/ABBOTT@ABBOTT, William A Brown/LAKE/PPRD/ABBOTT@ABBOTT
Subject: Re: 773 presentation

Bob,

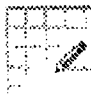
We are indeed moving forward with the Phase I Program. Leonard & Leiden approved moving forward with the *initial Phase I study* for the IV formulation which is planned to start in early May. This study will enable us to evaluate the appropriate IV dose and evaluate injection site pain with the formulation prior to a Multiple Dose study. Timing for Phase I Go/No Go by September is critical if we would like to have an IV filing within a year of the tablet filing.

Thus, I am proposing that we adjust the 773 project target to "milestone fund" IV through this first Phase I Study. These costs are approx \$500M. If we have a "go decision" of course the program will require additional funding for a multi-dose study, and ultimately ph III clinicals. FYI, this program has been the 773 "stepchild" that neither PPD, AI, or HPD appear willing to "fund", yet no one can live without. Note also that it is part of the Hancock portfolio, so I believe we need to tread carefully here.

Regarding broader outcome of mtg, I haven't heard anything bad (like the first go around), but I'll have to follow up w/Venture to get more details.

Tom

Robert E Funck



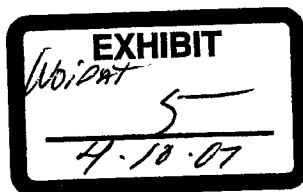
Robert E Funck
03/27/2001 04:54 PM

To: Thomas E Woidat/LAKE/PPRD/ABBOTT@ABBOTT
cc:
Subject: Re: 773 presentation

Tom,

Thanks for sending to me - do we know what the outcome was of the meeting? Are we moving ahead with the IV program.

Regards,



Confidential

ABBT353988

Bob

Thomas E Woidat



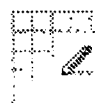
Thomas E Woidat
03/26/2001 07:48 PM

To: Robert E Funck/LAKE/PPRD/ABBOTT@ABBOTT
cc: Mike A Higgins/LAKE/PPRD/ABBOTT@ABBOTT, William A Brown/LAKE/PPRD/ABBOTT@ABBOTT
Subject: 773 presentation

FYI, 773 info that was presented to Pharma Exec Committee last week Good background info on current program status, contingencies, etc.

Tom

----- Forwarded by Thomas E Woidat/LAKE/PPRD/ABBOTT on 03/26/2001 07:46 PM

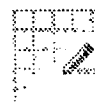


Carol S Meyer
03/21/2001 11:18 AM

To: Thomas E Woidat/LAKE/PPRD/ABBOTT@ABBOTT
cc:
Subject: 773 presentation

fyi

----- Forwarded by Carol S Meyer/LAKE/PPRD/ABBOTT on 03/21/2001 11:18 AM



Eugene X Sun
03/16/2001 12:23 PM

To: Rod M Mittag/LAKE/PPD/ABBOTT@ABBOTT, Carol S Meyer/LAKE/PPRD/ABBOTT@ABBOTT
cc: Carl Craft/LAKE/PPRD/ABBOTT@ABBOTT, Jerald J Wenker/LAKE/PPD/ABBOTT@ABBOTT, Jeanne M Fox/LAKE/PPRD/ABBOTT@ABBOTT, Nigel Livesey/LAKE/AI/ABBOTT@ABBOTT
Subject: 773 presentation

These are what will be presented to the pharma exec committee on monday



773 summary 19Mar01.do 773 pharma exec 19Mar01.pr

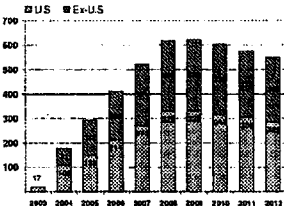
Confidential

ABBT353989

Confidential

ABBT353990

ABT-773 Ketolide Antibiotic

Therapeutic Area	Respiratory tract infections	Lead indications	Bronchitis, sinusitis, pharyngitis, pneumonia																																								
Description	ABT-773 is a potent antibiotic that has excellent activity against respiratory pathogens, including penicillin/macrolide resistant <i>S. pneumo</i> . ABT-773 will be dosed QD for 5 days for AECB and pharyngitis; dosing for CAP and sinusitis will be either 150 mg QD or 150 mg BID for 10 days. ABT-773 will compete with macrolides on the basis of superior activity against resistant organisms (resistance claim being pursued) and improved mechanism and against quinolones on the basis of appropriate use, efficacy, and safety																																										
Patent Status	2017	Market Size (Global)	833MM TRX \$22B Sales																																								
Development Status	Phase III	Revenue Projections																																									
NPV (Pre-Tax at 12.5%)	\$658MM	 <table border="1"><caption>Revenue Projections (Estimated)</caption><thead><tr><th>Year</th><th>US (\$MM)</th><th>Ex-US (\$MM)</th><th>Total (\$MM)</th></tr></thead><tbody><tr><td>2005</td><td>150</td><td>100</td><td>250</td></tr><tr><td>2006</td><td>200</td><td>150</td><td>350</td></tr><tr><td>2007</td><td>250</td><td>200</td><td>450</td></tr><tr><td>2008</td><td>300</td><td>250</td><td>550</td></tr><tr><td>2009</td><td>350</td><td>300</td><td>650</td></tr><tr><td>2010</td><td>400</td><td>350</td><td>750</td></tr><tr><td>2011</td><td>450</td><td>400</td><td>850</td></tr><tr><td>2012</td><td>500</td><td>450</td><td>950</td></tr><tr><td>2013</td><td>550</td><td>500</td><td>1,050</td></tr></tbody></table>		Year	US (\$MM)	Ex-US (\$MM)	Total (\$MM)	2005	150	100	250	2006	200	150	350	2007	250	200	450	2008	300	250	550	2009	350	300	650	2010	400	350	750	2011	450	400	850	2012	500	450	950	2013	550	500	1,050
Year	US (\$MM)			Ex-US (\$MM)	Total (\$MM)																																						
2005	150			100	250																																						
2006	200	150	350																																								
2007	250	200	450																																								
2008	300	250	550																																								
2009	350	300	650																																								
2010	400	350	750																																								
2011	450	400	850																																								
2012	500	450	950																																								
2013	550	500	1,050																																								
R&D Spend 2001 to Launch	\$139.9MM																																										
Pricing Strategy	Parity pricing to Zithromax (\$43 per Rx), near lower end of community respiratory antibiotics																																										
Position to Market	Key competitors are other macrolides (Zithromax), quinolones (Levaquin, Tequin, Avelox, Factive), Augmentin and cephalosporins (numerous). Aventis filed an NDA for their ketolide Ketek (telithromycin) 3/00, requested postponement in FDA advisory set for 1/29, now scheduled for end April.																																										
Competitive Differentiation	A single agent that offers good tolerability, convenience and price while being effective against respiratory tract pathogens; ketolide class is a novel class designed for respiratory tract infections																																										

Confidential

ABBT353991

History	<ul style="list-style-type: none"> Internally discovered by Abbott in conjunction with Taisho; DDC March 1997 Objective was tablet, pediatric and IV formulations; IV program currently lags tablet program by approximately 1 year, while pediatric program is unfunded (impeded by palatability) Phase II program evaluated 150 mg vs 300 mg vs 600 mg (all QD) in bronchitis, sinusitis, and pneumonia (150 mg not evaluated in pneumonia); results indicated 300 mg and 600 mg had sub-optimal tolerability profiles, while 150 mg showed comparable efficacy End of phase II meeting held with FDA November 2000; meeting with French and German agencies 3Q2000
Status/Plans	<ul style="list-style-type: none"> Phase III trials in all indications currently enrolling patients Pneumonia and sinusitis trials are evaluating 150 mg QD vs 150 mg BID; bronchitis and pharyngitis trials are evaluating 150 mg QD Dose decision on CAP/sinusitis expected July 2001 Anticipated global filing for tablet August 2002; for IV, August 2003; pediatric TBD; Japan TBD
2001 Expense Drivers	<ul style="list-style-type: none"> Clinical \$61.7MM (10 Phase III trials in 4 indications) CMC \$21.7MM (4 bulk drug campaigns)
Key Development Issues/Risks	<ul style="list-style-type: none"> Potential class labeling for QT prolongation Resistance claim is critical for competitive differentiation IV formulation would increase strategic, commercial, and technical value of product QD vs BID dose selection has divergent regulatory and commercial implications in US vs Europe Enrollment lag could delay Phase III and NDA
Next Critical Decision Point(s)	<ul style="list-style-type: none"> Dose selection for CAP and sinusitis, July/August 2001

Confidential

ABBT353992

Parameter	Value	Rationale
Prescriptions	212 US 612 Ex-US	IMS Audit
Prescription CAGR	0 %	Market TRX flat, although branded products show slight TRX growth
Peak Share	7.2% US 5.4% Ex-US	Based on QD dosing, comparable efficacy, no resistance claim at launch but promotable data
Pricing Strategy	\$8.60/day US \$2.22/day Ex-US	Parity to Zithromax in US; parity to clari 250 mg BID per course of therapy
Marketing Expense at Peak	\$47MM US \$27 MM Ex-US	Comparable to Biaxin/clari promotional levels
Sales Force Expense at Peak	\$62MM US \$56MM Ex-US	Comparable to Biaxin/clari sales force expense
Distribution Margin	51%	

Confidential

ABBT353993

ABT-773 Update

March 19, 2001

Confidential

ABBT353994

Agenda

- **Market and trends**
- **Molecule**
- **Microbiology**
- **Pharm/tox**
 - **QT prolongation**
 - **Hepatotoxicity**
- **Clinical development**
 - **Phase I/II summary**
 - **Dose selection**
 - **Phase III program**
 - **Contingency plans**
- **Timeline and budget**
- **IV formulation**
- **Summary of key issues and action plans**

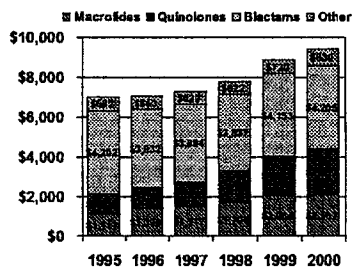
Market and Drivers

- The global antibiotic market is a large (\$22B) market, representing approximately 8% of the global pharmaceutical market
- The U.S. antibiotic market has shown good sales growth
 - 6% CAGR₉₅₋₀₀ overall combined market (Tab/Ped/IV)
 - 10% CAGR₉₅₋₀₀ branded combined market
- Sales growth in the U.S. has been driven by replacement of older generic agents with newer branded agents
 - Antibiotic resistance results in OBSOLESCENCE of existing agents over time (a CHRONIC problem)
 - Convenience and tolerability profile generally improved with newer agents
 - Generics still represent 61% of TRX, representing an opportunity for conversion
- Macrolides (+14% CAGR) drove the market based on Pen/B-lactam resistance, cost, convenience, and tolerability
- Quinolones (+17% CAGR) are now driving the market based on macrolide resistance (with comparable cost, convenience, tolerability)

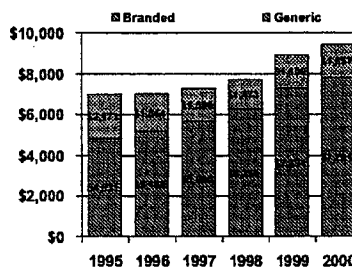


U.S. Market Trends

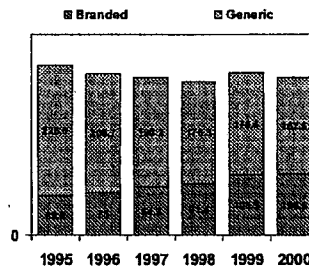
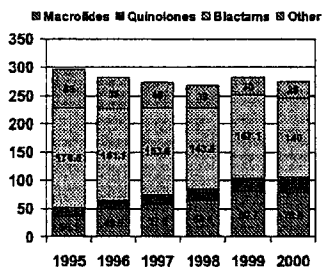
By Class



Generic vs Brand



← SALES →
CAGR₉₅₋₉₉: 6.1%
10.0% Branded
-5.5% Generic



← TRX →
(excludes IV)
CAGR₉₅₋₉₉: -1.5%
8.9% Branded
-5.9% Generic

Antibiotic Competitive Landscape

Class: dominant brand	Other	U.S. Sales	Ped	IV	Key features
B-lactam: Augmentin	Ceftin Cefzil Other ceph penicillins amoxicillins	\$1,355	X		<ul style="list-style-type: none"> • B-lactams 0% CAGR • High generic penetration • Augmentin unique, due to resistance
Macrolide: Zithromax	Biaxin erys	\$1,165	X	X	<ul style="list-style-type: none"> • Macrolides 14% CAGR; 2% Y-Y • Zithromax set new standards in cost, convenience, tolerability • Z growth has slowed (5% Y-Y) due to maturing brand and resistance
Quinolone: Levaquin	Cipro Tequin Avelox	\$1,031		X	<ul style="list-style-type: none"> • Quinolones 17% CAGR, 17% Y-Y • leveraging macrolide resistance to become fastest growing class • new quinolones have overcome narrow spectrum and poor tolerability

Confidential

ABBT353998

ABT-773 Target Profile

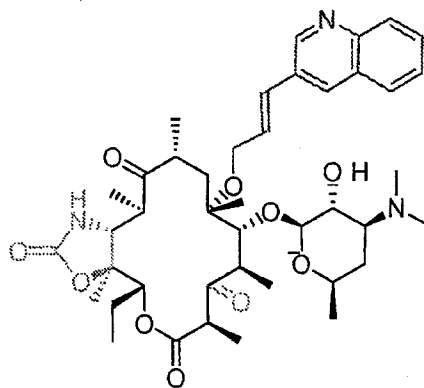
	ABT-773	Levaquin	Zithromax
Convenience	Target is QD dosing all indications Potential for BID in CAP & sinusitis Duration: 5d, 10 d (parity to Zithromax) PARITY IF QD	All RTI regimens 500 mg QD, 7-14 d	250 mg QD x 5 days for ABECB, pharyngitis, and CAP No sinusitis indication; warnings against use in "severe" CAP
Efficacy	Statistically equivalent cure/eradication to comparators; can take advantage of macrolide/penicillin resistance PARITY	Statistically equivalent cure/eradication to comparators; gold standard for CAP with IV; can take advantage of macrolide/penicillin resistance	Statistically equivalent cure/eradication to comparators; availability of IV adds to efficacy image; subject to increasing levels of macrolide resistance
Activity	Most active agent for Gram + pathogens, including telithromycin; parity for atypicals; parity to Zithromax for Gram -, through inferior to quinolones (weakness)	Highly active against most clinically relevant respiratory pathogens; potential issue with increase in Gram - resistance; theories that Gram + quinolone resistance may increase dramatically/rapidly with increased use	Not as active as clari in Gram + pathogens, increasing macrolide resistance, moderate Gram - activity
Adverse Events	Taste perversion: 4% Diarrhea: 10% COMPARABLE TO BIAIXIN XL	Very well tolerated and safe	Very well tolerated; GI disturbance ~ 2-5%; no taste perversion
Resistance Claim	Being pursued; important to development of resistance story; availability of IV will increase likelihood of claim	Claim for pen-R Strap. pneumo	None
Price	Parity to Zithromax	\$	\$43 for 5 days
Other	Attempt to leverage "best of both worlds" message i.e. potency & resistance coverage of a quinolone with safety & appropriateness of macrolide	Some class-related negative perceptions among some physicians with respect to AEs and appropriate use, but with increased use these barriers are eroding	

Confidential

ABBT353999

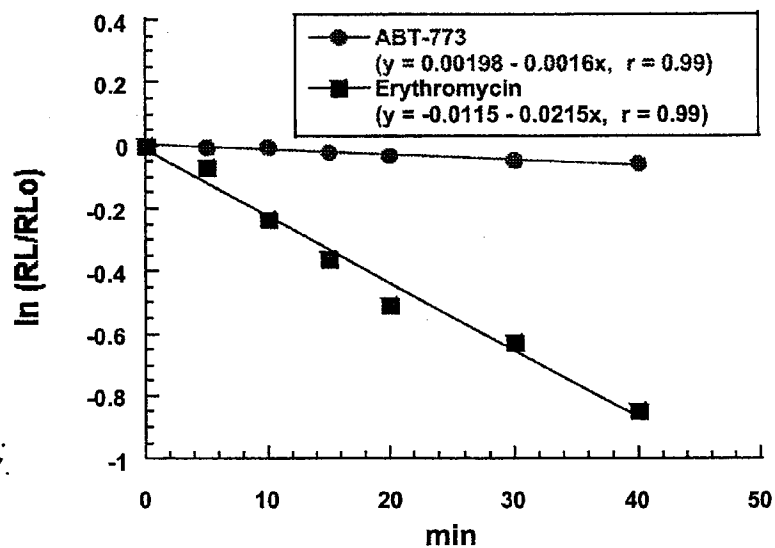
ABT-773 SAR

- Quinolylallyl propenyl moiety at the 6-O -position (↑ PK, activity)
- Carbamate group at the 11, 12-position (↑ activity vs macrolide-resistant Strep)
- Keto group at the 3-position (confers erm non-induction)



- Bactericidal activity
- Prolonged post antibiotic effect
- Reduced resistance development

ABT-773 Displacement in Susceptible *S. pneumoniae* 2486



J. Capobianco et al.
ICAAC 1999, #2137.

Confidential

ABBT354001

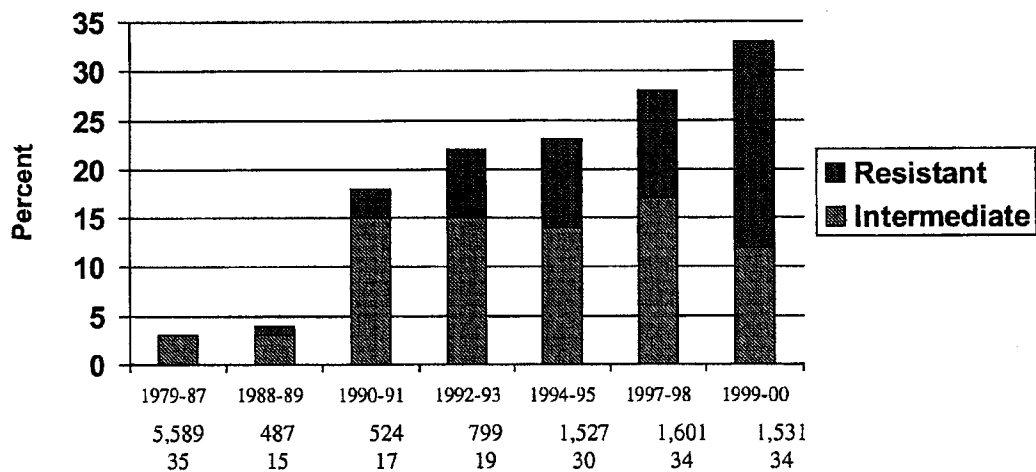
ABT 773 Microbiology

MIC90	Clari	Trovan*	Ketek	ABT-773
S. Pneumoniae (susc)	< 0.03	0.125	0.008	< 0.002
S. Pneumoniae (mef)	8.0	0.125	1	0.12
S. Pneumoniae (erm)	> 32	0.125	0.12	0.01
S. Pyogenes (mef)	16	0.125	1	0.12
S. Pyogenes (erm)	> 32	0.25	> 8	0.5
M. catarrhalis	0.03	0.015	0.25	0.25
H. influenzae	8	0.015	2	2

* Withdrawn from market, but among the more potent quinolones

Microbiology

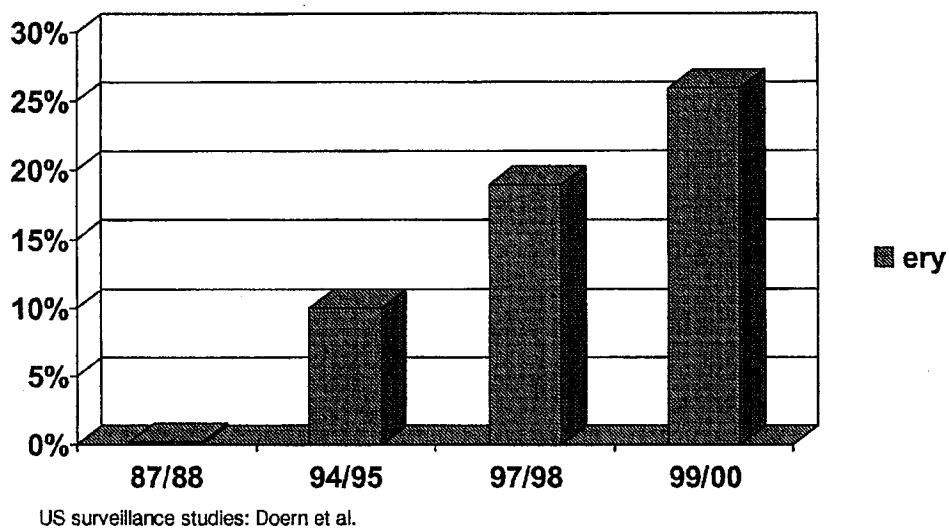
Penicillin resistance with *Streptococcus pneumoniae* in the United States



Confidential

ABBT354003

S. pneumoniae Macrolide Resistance from U.S. Surveillance



Confidential

ABBT354004

Preclinical/Clinical Issues

- QT prolongation
- Hepatotoxicity

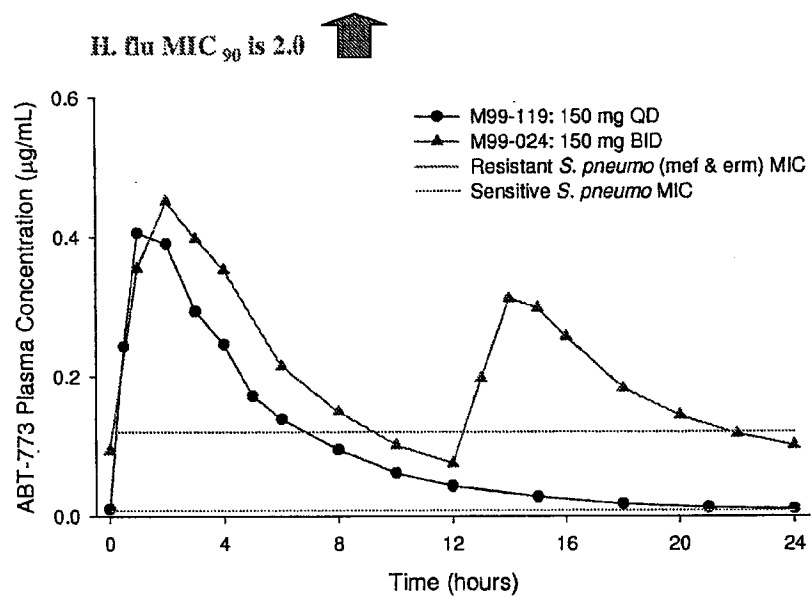
QT Prolongation

- Purkinje fiber repolarization
 - APD increase at > 10x clinical C_{max} in the presence of plasma
 - Moxi > Clari > Ery ~ ABT-773 > Levo
- Dogs
 - no significant effect on QTc up to 9 mcg/mL
 - 11% increase (40 msc) at 22 mcg/mL
 - Telemetry-instrumented dog study requested by FDA will be completed by May 1, 2001
- Humans
 - Possible dose effect in Phase I at daily dose > 800 mg
 - No significant QT effect in ketoconazole interaction study
 - No consistent QT effect in Phase II studies 150 – 600 mg daily (n=863)

Hepatotoxicity

- Toxicology studies
 - NTEL for LFT abnormalities in rat = 3-8 x clinical AUC
 - NTEL for LFT abnormalities in monkey = 2-4 x clinical AUC
- Clinical experience
 - No evidence of LFT issue in Western subjects (<1% asx LFT elevation in >1000 pts in phase II-III studies)
 - Japanese in bridging study showed increased LFTs.
 - 7 of 84 subjects had >3x ULN
 - No evidence of dose response
 - Repeat of Japanese bridging study in Japan showed no evidence of LFT increases in Japanese or Caucasians.

ABT 773 Pharmacokinetics



Confidential

ABBT354008

Phase II Clinical Studies

Study	Dose/Duration	Number of subjects
ABECB	150, 300 or 600 mg OD Duration: 5 days	N = 384
Acute Sinusitis	150, 300, or 600 mg OD Duration: 10 days	N = 292
CAP	300 or 600 mg OD Duration: 7 days	N = 187

Confidential

ABBT354009

Phase II Results

Combined ABECB, CAP, ABS Clinical Response

	<u>150 mg QD</u>	<u>300 mg QD</u>	<u>600 mg QD</u>
Clin and Bact. Eval	84% (42/50)	90% (103/115)	88% (106/120)
Clin Eval	88% (168/193)	88% (247/279)	81% (216/265)
ITT	83% (176/211)	82% (259/314)	75% (230/305)

ABT 773 Phase II Findings

Combined ABECB, CAP, ABS Adverse Events

	<u>150 mg QD</u>	<u>300 mg QD</u>	<u>600 mg QD</u>
GI and Taste			
Taste Perversion	4% (8/223)	17% (55/322)	27% (87/318)
Diarrhea	10% (22/223)	11% (34/322)	19% (60/318)
Nausea	5% (12/223)	12% (40/322)	26% (83/318)
Vomiting	2% (4/223)	6% (19/322)	14% (44/318)

Phase II: 150 mg QD vs 300 mg QD

		Phase IIb Data: Intent-to-treat							
		Bronchitis		CAP		Sinusitis		Total	
Clinical Cure	150 mg QD	85%	104/123			82%	72/88	83%	176/211
	300 mg QD	83%	107/129	84%	80/95	80%	72/90	82%	159/314
Bacteriological Cure	<i>H. flu</i>	150 mg QD	89%	17/19		60%	3/5	83%	20/24
		300 mg QD	81%	17/21	100%	9/9	100%	7/7	33/37
	<i>S. pneumo</i>	150 mg QD	77%	10/13		100%	3/3	81%	13/16
		300 mg QD	90%	9/10	82%	14/17	100%	8/8	31/35

Confidential

ABBT354012

Community-Acquired Pneumonia Clinical Response

	300 mg	600 mg
Clin and Bact. Eval	92% (54/59)	82% (47/57)
Clin Eval	92% (72/78)	80% (56/70)
ITT	84% (80/95)	73% (65/89)

Confidential

ABBT354013

Phase II summary

- ABT-773 was equally effective at 150 mg QD and 300 mg QD doses in ABECB and ABS
- ABT-773 was efficacious against all target pathogens
- All doses were safe; 150 mg QD was best tolerated for GI events and taste perversion
- 150 mg QD selected for ABECB and pharyngitis in pivotal phase III comparative studies
- 150 mg QD and 150 mg BID will be evaluated to select a regimen for CAP and ABS

Dose selection: Divergent U.S. and European regulatory and commercial considerations

- **US**

- Absence of consistent QD dosing for all indications represents a significant commercial hurdle
- Approval on indication-by-indication basis

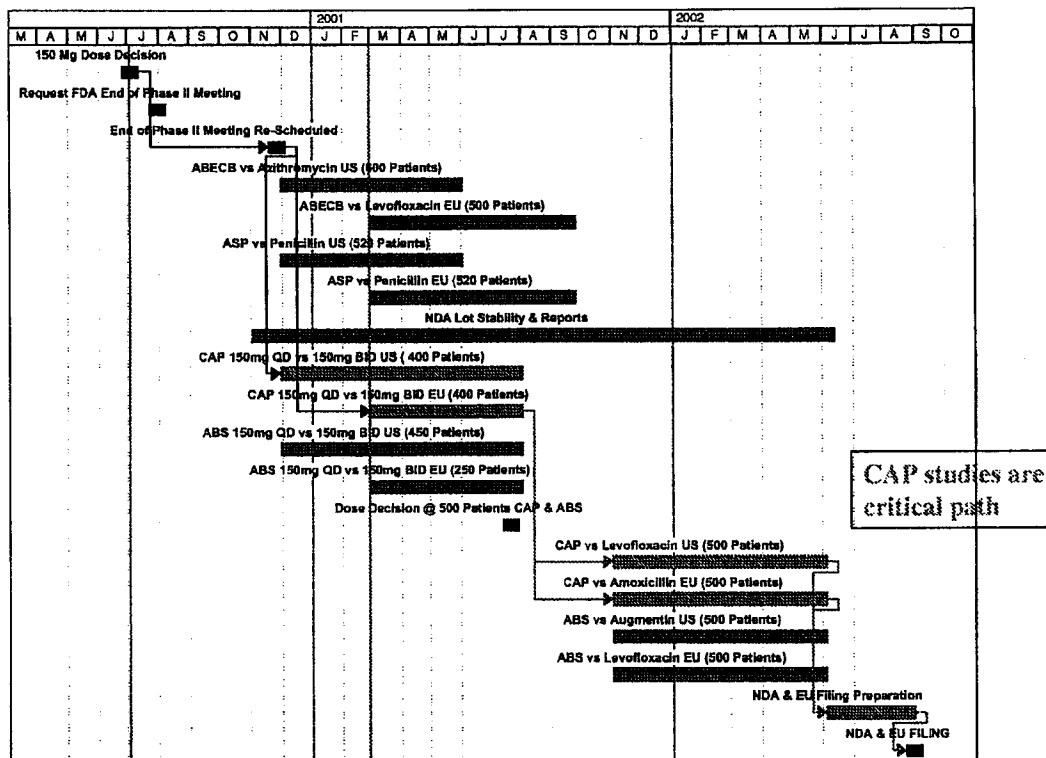
- **Europe**

- Relatively minor commercial impact of BID dosing
- CAP indication is critical for overall approval

ABT 773 Indications

Infection	Dosage	Duration
Pharyngitis/Tonsillitis	150 mg QD	5 d
Acute bacterial exacerbation of chronic bronchitis	150 mg QD	5 d
Acute bacterial sinusitis	150 mg QD or BID	10 d
Community-acquired pneumonia	150 mg QD or BID	10 d

ABT 773 Development Timeline



Confidential

ABBT354017

Phase III: ABECB and ASP

Study	Target Enrollment	Start Date	Location	Enroll Status	# sites
M00-216 ABECB vs Azithromycin	600	Nov. 2000	US	277	110
M00-217 ABECB vs Levofloxacin	500	Jan. 2001	EU	2	100
M00-222 ASP vs Penicillin	520	Jan. 2001	EU	1	45
M00-223 ASP vs Penicillin	520	Nov. 2000	US	337	45

Confidential

ABBT354018

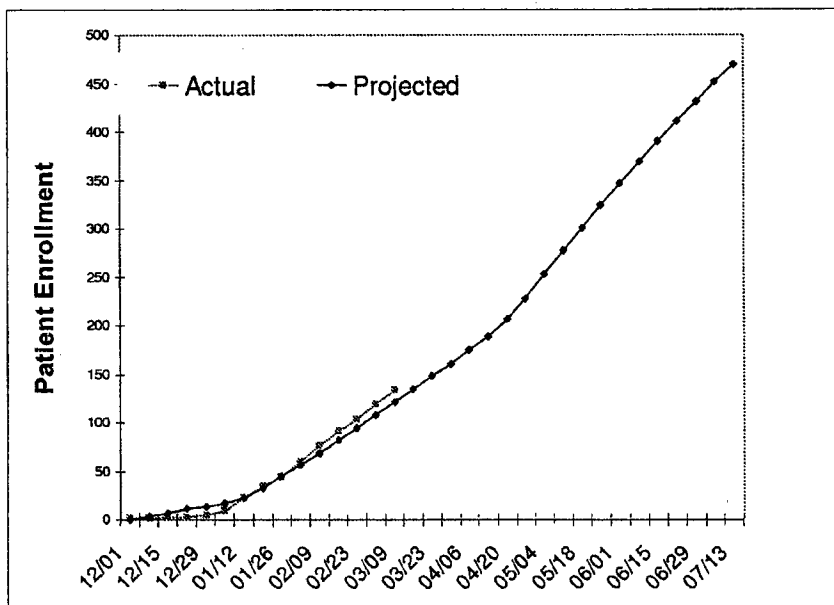
Phase III: CAP and ABS

Study	Target Enrollment	Start Date	Location	Enroll Status	# sites
M00-219 CAP 150mg QD vs BID	500 for dose selection	Nov. 2000	US, EU	143	294
M00-221 CAP vs Levofloxacin	500	Nov. 2001	US		200
M00-220 CAP vs Amoxicillin	500	Nov. 2001	EU		200
M00-225 ABS 150mg QD vs BID	500 for dose selection	Nov. 2000	US, EU	205	114
M00-218 ABS vs Augmentin	500	Nov. 2001	US		90
M00-226 ABS vs Levofloxacin	500	Nov. 2001	EU		90

Confidential

ABBT354019

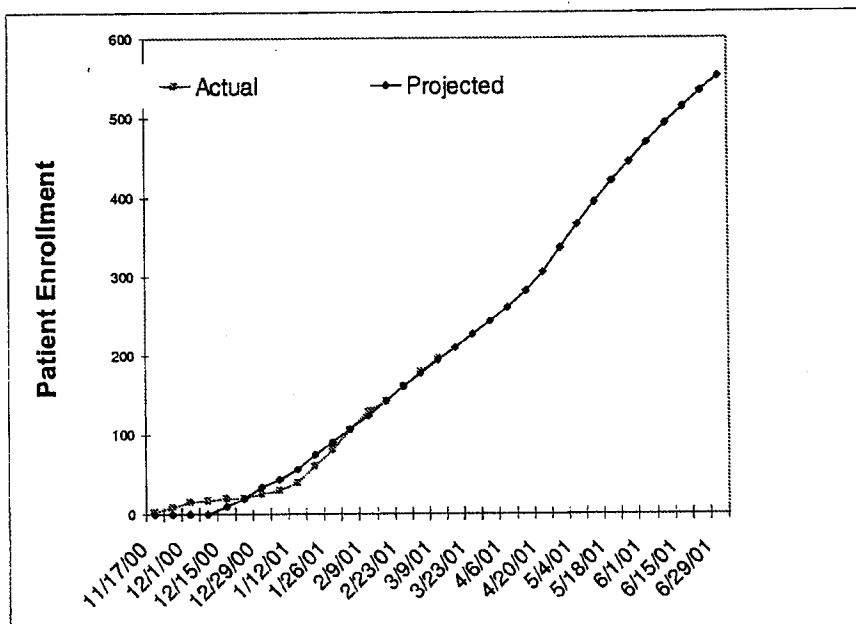
CAP dose-ranging study: enrollment status



Confidential

ABBT354020

Sinusitis dose-ranging study: enrollment status



Confidential

ABBT354021

Progress towards resistance claim

Pathogen	M00-216 ABECB	M00-219 CAP	M00-225 ABS
Subjects with Positive culture	266	60	77
<i>S. Pneumoniae</i> isolates	16	16	19
Resistant <i>S.pneumo</i>	7	9	7
<i>Penicillin resist</i>	0	1	1
<i>Macrolide resist</i>	2	0	3
<i>PRSP & MRSP</i>	5	8	3
# of isolates proposed for resistance claim			
PRSP	15	15	15
MRSP	15	15	15

Confidential

ABBT354022

ABT 773 Contingency Plan

- 66 sites in the Southern Hemisphere to initiate enrollment in May 2001 should US and European sites not reach enrollment targets by June 2001
- Dose decision delayed to Sept 2001, filing delayed
- Manage US and European study spending due to lower enrollment to offset study costs in the Southern hemisphere

2001 Clinical Budget (\$MM)

- 2001 Clinical Program 61.7
 - Assumptions to achieve budget
 - Complete 2000/01 Phase III Studies by June 2001 in U.S. and Europe
 - Initiate 2001/02 Phase III Studies by Nov. 2001
 - Conduct start up activities **only** in Southern Hemisphere, **do not** initiate enrollment
- Contingency costs 2.0
 - Assumptions
 - Continue European ABECB and ASP studies to Dec 2001
 - Enroll CAP and ABS studies in the Southern Hemisphere through Sept. 2001
 - Partial cost offset due to lower enrollment in U.S. and Europe

Other Filing Options

Other filing options have been evaluated and are less desirable (regulatory, commercial, logistic)

Option	Indications	Dose	Filing Date US	Filing Date Europe
Option 1 File without CAP indication in the U.S., delay Europe filing	ABECB/ASP/ABS	150mg QD	Aug 2002	June 2003
	CAP	150mg QD or BID	Aug 2003	June 2003
Option 2 Make BID dose decision for CAP and ABS now.	ABECB/ASP	150mg QD	Aug 2002	Aug 2002
	CAP/ABS	150mg BID	Aug 2002	Aug 2002
Option 3 Delay Dose Decision to Phase III	ABECB/ASP/ABS 3 arm CAP Study	150mg QD or BID	Dec 2002	Dec 2002
Option 4 Run separate US and European clinical programs	ABECB/ASP	150mg QD	Dec 2002	Aug 2003
	CAP/ABS	150mg QD US 150mg BID Europe	Dec 2002	Aug 2003

Confidential

ABBT354025

Agenda

- Market and trends
- Molecule
- Microbiology
- Pharm/tox
 - QT prolongation
 - Hepatotoxicity
- Clinical development
 - Phase I/II summary
 - Dose selection
 - Phase III program
 - Contingency plans
- Timeline and budget
- IV formulation
- Summary of key issues and action plans

ABT-773 IV Formulation Strategic, Commercial, and Technical Value

- **Strategic Value**

- IV represents a channel not currently served by Anti-infective Franchise
- Leverages presence of MCRs and experience with ID community

- **Commercial Value**

- IV availability improves formulary access to molecule
 - Potential advantage over telithromycin, which will not have an IV
 - Would be competitive with Zithromax, Tequin, Avelox which have IV
- Positive impact on tablet formulation
 - estimated \$36MM incremental to peak tablet sales due to step-down therapy
 - Enhances overall "potency" image of brand

- **Technical Value**

- Support for *S. pneumoniae* Resistance claim
 - FDA indicated that bacteremic patients will be important to establish body of evidence for this claim
- Provides additional information on QT effects

ABT-773 IV Planned Clinical Program

- Single Dose-rising Phase I study May/01
- Multiple Dose Phase I with selected dose Aug/01
- File US IND Nov/01
- Initiate Phase III Jan/02
 - 2 step-down CAP studies (US/Europe)
 - 2-3 days dosing
 - Two seasons to complete
- Filing Dec/03

- IV launch currently lags tablet launch by 1 year
 - further delays will reduce the potential value

IV Development Cost

	Thru 2000	2001	2002	2003 to NDA	Total
Clinical Program	0.2	4.0	6.0	2.5	12.7
Phase I Single Rising Dose		0.5			0.5
Phase I Multiple Dose		0.4			0.4
Phase III 2 step-down CAP Studies (US/Europe)		2.9	6.0	2.5	11.4
CMC	1.0	2.5	1.8	1.3	6.6
Drug Safety/Other	1.0	1.0	1.0	1.0	4.0
Total by Year	2.2	7.5	8.8	4.8	23.3

Confidential

ABBT354029

Summary: Key Issues

- **QT Prolongation**
 - Possible class labeling, with resulting safety perception
- **Resistance claim**
 - Key differentiating feature
 - Bacteremic isolates requested by FDA requires IV
- **IV Formulation**
 - Strengthens strategic, commercial, and technical value of product
- **QD vs BID dosing**
 - Divergence regulatory and commercial considerations in US vs Europe
- **Delayed Phase III program**
 - Delayed dose selection decision beyond July/Aug 2001 could delay filing

ABT-773 Action Plans

Key Issue	Action Plans
QT Prolongation	<ul style="list-style-type: none">▪ Conduct EKG monitoring in Phase III to gather additional data on QT prolongation▪ Anticipate and fulfill regulatory expectations for animal and human data
Resistance claim	<ul style="list-style-type: none">▪ Accrue sufficient patients to obtain necessary organisms▪ IV formulation would access bacteremic patients
IV Formulation	<ul style="list-style-type: none">▪ Conduct Phase I studies for IV formulation Go/No Go Sep 2001 (\$1MM) based on pain on injection and dose finding

Confidential

ABBT354031

ABT-773 Action Plans

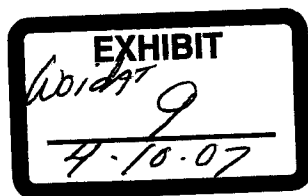
Key Issue	Action Plans
QD vs BID dosing	<ul style="list-style-type: none">▪ Select dose based on outcome of current QD vs BID trials▪ Minimize regulatory risk▪ Optimize global commercial opportunity
Delayed Phase III program	<ul style="list-style-type: none">▪ CAP Study sites increased in the US and Europe from 209 to 300 sites▪ Southern hemisphere contingency▪ Re-evaluate other contingency plans

Confidential

ABBT354032

Woidat Deposition Exhibit 9

ASSUMPTION MEMOS



Highly Confidential

ABBT112985.UR

Assumption Memo

Dr. R. Hogan
Dr. J. Kerwin
Mrs. J. Hutchinson

D5T1 AP6B
D5C1 AP6B
D5R1 J25

Mr. S. Columbus
Ms. P. Jolly
Dr. J. Lancaster
Dr. T. Lin
Dr. C. Locke
Ms. K. Janulis (7)
Mr. R. Manski
Dr. D. Morris
Mr. P. Pichotta
Dr. M. Rubison

D421 J28
D433 AP9A-1
D436 AP9A-2
D436 AP9A-2
D436 AP9A-2
D433 AP9
D436 AP9A-2
D436 AP9A-2
D436 AP9A-2
D5N1 AP9A

Dr. S. King
Dr. G. Carter
Dr. S. Chang
Dr. M. Levenberg
Dr. D. Norbeck
Dr. T. Oppenorth
Dr. J. Summers
Mr. S. Vega
Dr. C. Wegner
Dr. M. Williams

D41K R13
D462 AP9-1
D466 AP52
D418 AP9-LL
D467 AP9
D4MA AP-10-1
D467 AP10-3
D405 AP10-1
D46R AP9
D464 AP10-LL

Dr. M. Ballinger
Dr. W. Bracken

D403 AP13A-3
D468 AP13A-3

Dr. P. Cusick
Dr. T. El-Shourbagy
Dr. J. Fagerland
Dr. L. Gallenberg
Dr. K. Marsh
Dr. S. Morgan
Dr. R. Patterson

D469 AP13A-3
D46W AP9
D45M AP31-LL
D4TD AP13A-3
D4EK AP9
D469 AP13A-3
D46G AP13A-3

Dr. S. Roberts
Ms. V. Smock
Dr. R. Ulrich
Mr. D. Wilson

D46V AP9
D4PC AP13A
D463 AP13A-1
D46W AP9

Dr. W. Awmi
Dr. R. Granneman
Dr. R. O'Dea (3)
Dr. S. Dennis
Dr. L. Williams
Mr. R. Achari
Ms. C. Eason
Ms. B. Boyer
Ms. K. White

D4PK AP13A-3
D4PK AP13A-3
D42P J26 VMH
D42P J26 VMH
D42P J26 VMH
D420 J26 VMH
D420 J26 VMH
D42P J26 VMH
D42K J26 VMH

Dr. T. Ashraf
Dr. T. Heimberger
Mr. G. Zaboniak
Mr. B. Spear
Ms. D. Barnes

D42J AP9A-2
D42V AP6A-1
D42V AP6A-1
D424 AP6A-1
D424 AP6A-1

Ms. J. Fox
Mr. P. Noblin
Mr. L. Roebe
Ms. C. Spencer (4)
Mr. B. Stinchcomb (2)

D491 AP6B-1
D491 AP6B-1
D491 AP-30-4
D44F AP34-1
D44S AP34-1

Mr. G. Jones (2)
Dr. T. Reiland

D492 AP16
D4P3 AP9-2

Ms. Linda Liken

D092 A1 NC

Dr. B. Wallin
Mr. P. Harrigan

D096T AP6A-1
D096T AP6A-1

Dr. P. Nisen
Mr. M. Hurley
Dr. R. Padley
Dr. J. Groff
Dr. A. Nabutsl
Dr. R. Hoffman
Mr. R. Hansen
Ms. L. Vella-Rountree
Ms. D. Bronson

D460 AP10-1
D4N4 AP34
D42B AP30
D42B AP30
D48K AP6A-1
D48K AP6A-1
D48K AP6A-1
D48K AP6A-1
D48K AP6A-1

Mr. J. Drajesk
Ms. L. Krause-Hooyman
Mr. G. Lenz
Dr. K. Sommerville
Dr. C. Olson
Dr. G. Aynilian
Dr. C. Craft
Ms. C. Meyer
Ms. K. Kreutzer
Dr. E. Sun
Ms. A. Potthoff
Dr. K. Garren
Ms. O. Jasinsky

D4NF J23
D42R AP30-3
D42R J23
D42R J23
D4NF AP30-3
D48W AP30-3
D48W AP30-3
D48W AP30-3
D48W AP30-3
D48U AP30-3
D48U AP30-3
D48U AP30-3

Mr. R. Mack
Dr. M. Verfinden
Dr. C. Silber (2)
Mr. M. Blamesen
Dr. B. McCarthy

D42U AP30-3
D42U AP30-3
D48Q AP34-1
D48Q AP34-1
D48Q AP34-1

Ms. A. Mehta (4)
Mr. R. Horder
Mr. G. Boyd

D536 AP34-3
Queenborough UK
Maidenhead UK

Mr. M. Dote
Mr. G. Bandel
Mr. R. Hopp
Mr. A. Hamlet

D44N AP16
D443 J23
D50G J23
D50G J23

Ms. J. Mueller
Mr. S. Kuemmerle
Ms. L. Corsi
Mr. S. Cohen
Dr. J. Leonard
Ms. T. Yancey
Ms. G. Hodgkinson
Dr. D. Pizzuti

D4MK AP9
D4PP AP9
D42M AP9A
D404 AP9-1
D432 AP30
D5T2 AP6B
D477 AP6A
D48L AP9-1

Ms. P. Bourland
Mr. W. Brown
Mr. M. Comilla
Ms. E. Haapala
Mr. M. Higgins
Mr. K. Holland
Ms. B. Massa
Ms. A. Bakker
Ms. K. Rekau
Mr. S. Szostak
Mr. T. Woldat
Mrs. M. Vidakovic

D404 AP9-1
D404 AP9-1
D404 AP9-1
D404 AP9-1
D404 AP9-1
D404 AP9-1
D404 AP9-1
D404 AP9-1
D404 AP6A
D404 A4 NC
D404 AP9-1
D404 AP9-1

H. Russell

D404 AP9-1

L:\GROUP\PLANNING\ASSUMEMOD\st_1.xls



A B B O T T

From: Mike Cornilla
Supervisor, FP&A
D404, AP9 Ext. 7-1065
Date: December 21, 2000

TO: Distribution

RE: 2001 PLAN ASSUMPTION MEMO- Pass III

This package contains assumptions for the 2001 PLAN (Pass III). The assumptions are based on input from the respective project managers and specific questions regarding the projects may be directed to the contacts listed below.

Please input requirements for 2001 project manpower, functional expense and headcount. Guidelines for the functional input are:

- Payroll/ Merit Increase: Exempt 4% Non-Exempt 4%
- Fringe benefit rates as a % of payroll dollars (excluding profit sharing and bonus):
Exempt 35.2% Non-Exempt 38.7% Temporary 9.0%

Please give equal attention to forecasting Blue Plan (BP) projects, as these budgets will be used if additional funding becomes available.

To meet divisional planning requirements, all data must be input by noon, January 10, 2000. Key Program activities are summarized below and detailed assumptions are attached.

DISCOVERY:

Contact: Ellie Haapala (7-1403)

-Please contact Ellie Haapala (7-1403) with any Discovery budget questions.

DELIVERY (GLOBAL):

COX II ABT-963 (Attachments A)

Contact: George Carter 7-8109

- G0-414.030 Only those activities associated with the completion of the single rising dose study begun in November, 2000 are funded. These charges are expected to be minimal and to be completed by March, 2001.
- BP-414.030 A multiple rising dose and a placebo-controlled Phase IIa trial to evaluate and compare the analgesic properties of ABT-963 to ibuprofen should be blue planned. See attachments for details.

ABT-594 - (Attachments B)

Contact: Mike Biarnesen 8-6514

- G0-143.010 - The project has been funded for M99-114, a Phase II Neuropathic Pain Study (n=275 pts) that started April, 2000, and is projected to end March, 2001.
- BP-143.010 - Milestone funding from July, 2001 forward. Includes preparatory work for End of Phase II meetings projected for October 2001, preparatory work for initiation of Phase III and Phase I studies projected to start 1Q 2002, purchase of additional raw materials to produce the second and third drug substance NDA lots using the Mitsunobu chemistry in step 4, manufacture of Phase III clinical supplies using the 1st NDA lot with Mitsunobu chemistry, etc.

- SPD: process optimization and justification; proof of principle run at ChemSyn (Mitsunobu route); prepare impurity standards and reference lots; repeat first of three NDA lots using Mitsunobu chemistry in step 4.
 - PARD: maintain ongoing stability programs; provide clinical supplies for studies; process optimization; scale-up at AHPI; support SPD process justification; drug substance characterization.
 - Toxicology: Antigenicity and juvenile rat studies and impurity evaluation.
 - Metabolism: Support human 3H metabolism study.
- BP-143.014 (ABT-594 Osteoarthritis) - Activities associated with conducting M99-115, a Phase II Osteoarthritis study (n=575 pts), start estimated July, 2001 should be blue planned. See attachments for details.

ABT-089 (BP-143.100) - (Attachments C)

Contact: Mike Biarnesen 8-6514

- BP-143.100 The following activities are unfunded and should be blue planned. Phase I: first-time-in-man study, single rising dose to start March, 2001 (n=60pts.), and multiple rising dose (n=60pts.) to start July, 2001. Transition Team Go/No Go, November, 2001. PARD, PK, Drug Analysis, and Statistics/Data Management to support Phase I studies identified above. Toxicology to complete activities to support initiation of Phase I studies discussed above, as well as, future (2002) studies in adults and children (male and female) for up to six weeks in duration for Transition team Go/No Go. See attachments.

NPS 1776 (BP-121.100) - (Attachments D)

Contact: Mike Biarnesen 8-6514

- BP-121.100 The following activities are unfunded and should be blue planned. The completion of pre-clinical stage toxicology and PARD activities. Phase I first-time-in-man study (n=60pts) to start June, 2001; multiple rising dose study (n=60) to start November, 2001; and new formulation study (n=24pts) to start October, 2001. Toxicology and PARD to initiate activities to support initiation of Phase I studies above, including PARD development of controlled-release prototype formulations for human bioavailability studies. PK, Drug Analysis and Statistics/Data Management to support Phase I studies. See attachments for details.

ABS-103 / A352086 (BP-121.200) - (Attachments E)

Contact: Mike Biarnesen 8-6514

- BP-121.200 The following activities are unfunded and should be blue planned. The completion of pre-clinical stage activities. Phase I first-time-in-man study (n=60pts) to start October, 2001. Toxicology and PARD to initiate activities to support start of Phase I study. See attachments for details.

KCO ABT-598 G0-149230 - (Attachments F)

Contact: Bob Harris 7-9290

Program is approved in 2001 as a transition program. Please contact Bob Harris for any additional details.

BPH Back-up ABT-980 BP-330000

Contact: Bob Harris 7-9290

Program was cancelled on October 23, 2000. All closeout activities should be completed in 2000.

ANTIVIRAL - (Attachments G)

Ritonavir ABT-538 - (Attachments G)

Contact: Amy Potthoff 7-1930

G0-202.133 Complete activities related to SEC filing. No clinical studies.

Ritonavir ABT-538 Phase-IV - (Attachments G)

Contact: Laurel Krause-Hooyman 7-7848

G0-202.135 Continue M96-462 Long-Term Extension study to July, 2002

G0-202.146 Continue Erica A & B clinical programs to December, 2002;

Complete NICE study January, 2001.

Kaletra ABT-378

2nd Generation Protease ABT-378 (with Phase-IV) - (Attachments G) Contacts: Amy Potthoff 7-1930

Jeff Drajesk 8-5097

G0-202.150: NDA approved September 2000. There are several proposed changes to the clinical program. See attachment for details; call Amy Potthoff (registration studies) or Jeff Drajesk (Phase-IV).

2nd Generation Protease ABT-378 KNOLL Formulation - (Attachments G) Contact: Amy Potthoff 7-1930

G0-202.152: Continuation of the Knoll/Kaletra formulation for 2001. Two Bio studies scheduled for April.

HAART Metabolic Complications - (Attachments G)

Contact: Jeff Drajesk 8-5097

G0-202.220: Program in metabolic complications of Highly-Active Anti-Retroviral Therapy (HAART) being conducted by Ingenix is supported by a consortium of companies including Abbott.

Clarithromycin - (Attachments H)

Primary Contact: Carol Olson 7-3019

Phase IV Contact: Laurel Hooyman 7-7848

Differentiation -- Immunomodulatory (Asthma and Cystic Fibrosis) have been cut to cover only current ongoing studies. All new formulation work has been discontinued. XL for France and Germany has been reduced.

- **Clarithromycin 500 mg Extended Release (G0-206.009) - M99-066, Biaxin XL vs. Augmentin in AECB and M99-077, Biaxin XL vs. Levaquin in CAP have both been completed.** The Biaxin XL CAP Step Down and Concomitant Therapy Pilot Study (M99-083) will complete in 2001.
- **International Phase IV (G0-206.012) - Support on the International Clarithromycin MR vs. Augmentin in PRSP/DRSP (W99-317) should be budgeted to Project G0-206.012. Support for the proposed Clarithromycin OD XL studies for France and Germany (CAP, AECB, Pharyngitis) should also be budgeted to G0-206.012.**
- **International Formulation Projects - The International 1 Gram Tablet formulation (BP-206.014), the Japan 400mg tablet formulation (BP-206.015), and the International Pediatric Once-A-Day Formulation (BP-206.016) are unfunded in 2001.**
- **Blue Plans - The Tablet and Pediatric Phase IV Bulk Drug (PPD and AI) (BP-206.001 and BP-206.003).**

Ketolide ABT-773 - (Attachments I)

Contact: Carol Meyer 7-4815

- **Ketolide ABT-773 - (G0-207.101)**
Phase III studies will be performed in four indications. Six of the ten planned Phase III studies will begin in November, 2000 with the remaining four studies starting in November, 2001. NDA is planned for August, 2002. Scale up activities for the 150mg tablet formulation are based on two manufacturing sites, stability requirements and the filing date.
- **Japan Development Plan (G0-207-104)** will require repeat of Phase I in Japan. A food effect and dose escalation study will be initiated in 4th quarter 2000 to determine the dose for the Phase II/III program. Once Phase I is completed, a meeting with Kiko will be held in May, 2001 to agree on the Phase II/III strategy. Two possible outcomes are currently estimated, either a bridging strategy requiring 2 to 3 Phase II/III studies or full Japanese development requiring 4 -6 Phase II/III studies.
- **IV (BP-207.102)**
Pending Phase I results (if funding available) scale-up activities and Phase III step-down therapy studies (Two Studies - US and Europe) will be initiated 4Q 2001.
- **Pediatric (BP-207.103)**
Proof of principle PK trial results (2 prototypes vs. tablet) revealed taste and bioequivalency problems. No further development is planned for the two prototype formulations. Formulation strategies for a new pediatric formulation are being reviewed.

Quinolone ABT- 492 (G0-233.270) - (Attachments J)

Contact: Kay Kreutzer 7-3883

- Phase I single rising dose started November, 2000. Fast/Fed/Gender/Elderly study to start January, 2001 followed by multiple dose in February, 2001. Go/No Go decision April, 2001. Three Phase I studies to start 2Q01 with Go/No Go decision in August, 2001. Phase IIA study on AECB comparing ABT-492 (2 doses) to Levoquin to start 3Q01. Phase IIB CAP study to start late 4Q01. Bulk drug, formulation and toxicology needed to support this timeline.
- **Quinolone ABT-492 I.V. (BP-233.271) - (Attachments J)**
I.V. formulation effort will begin in January, 2001 pending Blue Plan funding. Assume one manufacturing run in 4Q01. Toxicology pain on injection study and 1month toxicology study on two species.

Neuraminidase ABT-677 (BP-235.010)

Contact: Kay Kreutzer 7-3883

- DDC review was held November 1, 1999 and a decision was made to move the compound to a transition team. Due to the complexity of the chemistry, the transition team decided to proceed on several fronts slowly, rather than concentrate only on the chemistry. This will include chemistry, analytical, toxicology range finding, PK in animals, and outside studies to confirm activity of the drug in new models. Two week toxicology studies to start 2Q 01. A single rising dose study is planned for 3Q01, and a multiple rising dose study for 4Q01.

Cyclosporine - (Attachments L)• **Capsule / Liquid Development (G0-249.505)**

Contact: Lori Vella-Rountree 7-6304

- AI Liquid Filing: Complete bio study M00-210 using European-Sourced Neoral.
- Marketing studies:
 - M99-033 PK deNovo Liver with LongTerm Extension - to complete December, 2000.
 - M99-041 European Switch Kidney with LongTerm Extension - to complete December, 2001.

- **Phase-IV Co-Promotion (G0-249.506)** Contact: Jeff Drajesk 8-5097
 - Phase-IV preference study M99-133 (PREFER) to complete Q1-2001: number of patients has been reduced to 2200.

ONCOLOGY- (Attachments M)

Contacts: Robert Hansen 7-9418 & John Groff 7-2594

Oncology Funded programs:

- **Endothelin ABT-627 (G0-631.300)**
2001 Plan funding should reflect dosing for two Phase III pivotal trials (M00-211 and M00-244) plus a long-term extension (M00-258), four drug interaction studies (Fexofenadine, Midazolam, Ketoconazole and Rifampin), a definitive QTc biosafety study and a food effects/bio-equivalency study. All other indications associated with Endothelin (ABT-627) should be Blue Planned.
- **MMPI #2 ABT-518 G0-631.221**
M00-235 Multiple Escalating Dose in 40 patients to begin February, 2001.
Initiate an IND Study June, 2001 with 14 patients.
- **TSP #1 ABT-510 G0-631.240**
M99-106 Single Dose in 43 subjects with final group dosed 11/2/00.
M00-153 Multiple Dose with Long Term Extension in 80 patients to begin January, 2001.
Initiate an IND study June, 2001 with 14 patients.
- **Anti-Mitotic ABT-751 G0-631.282**
M00-231 MTD scheduled to initiate April, 2001 with 40 patients.
IND Study scheduled to initiate June, 2001 with 24 patients.
Phase II scheduled to initiate in the following manner: two 30 patient studies in November, 2001 and two 30 patient studies in December, 2001.

Oncology Blue Plan:

- **TSP #2 BP-631.242** - DDC delayed to 1Q/01.
Assuming successful 4Q/2001 DDC, then preclinical support up to but not including Phase I.
- **K5 ABT-828 BP-631.241**
Delivery of Drug Substance in October, 2001.
- **FTI #2 BP-631.204**
Assuming successful 2Q/2001 DDC, then initiate Phase I 1Q/02.
- **Endothelin ABT-627 BP-631.305**
Eight additional Phase II trials (40 patients each) in Prostate Cancer (a) Bisphosphonate and b) Taxane Combinations] and other cancers (c) Ovarian, d) Brain, e) Colorectal, f) Renal, g) Breast and h) Cervical).

Bimoclomol ABT-822 - (Attachments N)

Contact: Pat Harrigan 7-7346

- **BP-632.120 - Base Program:** Two Phase-III studies (Europe and US) to be initiated September 2001, with 1200 patients each at 100 sites each for registration.
- **BP-632.122** - Initiate Toxicology studies: 2-year carc in rats (March, 2001), 3-month MTD in Tg. AC mice (March, 2001) and 6-month carc in Tg. AC mice (September, 2001).
- **BP-632.124** - Initiate CYP 2D6 Interaction June, 2001. Metabolism initiative TBD.
 - **BP-632.125** - Complete initiate formulation Development (March, 2001), prepare Phase-III clinical supplies (June, 2001) and initiate commercial formulation development (July 2001).

PPD DEVELOPMENT (DOMESTIC):

Pharmacogenetics

Contact: Brian Spear 7-5437 or Diane Barnes 7-2434

- Genset program is unfunded.
- For specific clinical studies requiring DNA sampling, the sample collection and central lab storage costs (approx. \$31 per patient) is to be included in Venture study grants; cost for subsequent transfer and retention at Abbott Park will be absorbed by Pharmacogenetics.

Depakote - (Attachments O)

Contact: Greg Lenz 5-0875

Ongoing Depakote studies:

- Elderly Agitation (P1-122.042) M99-082.
- Impulsive Aggression (P1-121.035) M99-002.
- Psychosis (P1-121-038) M99-010.
- Dose Proportionality (P1-121.009) M00-232 completed November 2000 at ACPRU; reports only.

New study Initiations:

- Depakote Polycystic Ovary - PCO (P1-121.046) – outside study grant; no in-house support

Unfunded Programs:

- Dose Proportionality Repeat (BP-121.009) July 2001 pending FDA review.
- Depacon Acute Migraine (BP-121.031) July 2001.
- Depakote DR/ER Switch in Bipolar (BP-121.049) July 2001.
- Depacon Status Epilepticus (BP-121.047) September 2001.
- New 250mg ER Tablet formulation (BP-121.043) TBD.
- Depakote 250mg Sprinkle Capsule formulation development (BP-121.050) TBD.
- Depakote DR Smaller Tablet formulation development (BP-121.045) TBD.
- ER Adolescent PK (BP-121.048) August 2001 to support FDA Pediatric-Use rule.
- Depakote Pediatric Psychiatry (BP-121.041) January 2002.
-

Gabitril

Contact: Greg Lenz 5-0875

- Program discontinued.

Fenofibrate ABT-799 -

Contact: Daniel Yannicelli 5-1280

- Program is unfunded.

Omnicef (P1-241.100) - (Attachments R)

Contact: Carol Olson 7-3019 / Laurel Hooyman 7-784

- One Phase IV study in Otitis Media is planned to be initiated 3Q 2001 vs. Zithromax.

NEW DEVELOPMENT CANDIDATES:

Unfunded in the 2001 Plan.

OTHER PROJECTS NOT FUNDED

- Alternate Dosage
- In-licensing
- Exploratory Effort
- Prescription for Growth
- R-UK

ABT-594 2001 PLAN (Revised)
Clinical Studies

Project/Protocol	Title	Start (Est. Date)	End (Est. Date)	Subjects	Sites	#EVR Sites	EVR Countries	Comments
G0 143.010								
Phase I Studies								
TBD	MR1 / human pain model	8/2001	10/2001	12	1	0	1	Drug supply only: no DM or state analysis or EVR support. External academic study. Contract signing and payments start 2Q 2001.
TBD	Human Melabolism 3H	4/2001	11/2001	6	1	0	0	Drug supply only: no DM or state analysis
TBD	Titration Optimization	4/2001	7/2001	24	1	0	0	

Phase I Studies Delayed

TBD	Human Abuse Liability	2002	2002	30	1	0	0	
TBD	Interaction #1 (Digoxin)	2002	2002	32	1	0	0	
TBD	Interaction #2 (Rifampin)	2002	2002	32	1	0	0	
TBD	Interaction #3 (Ketoconazole)	2002	2002	32	1	0	0	
TBD	Interaction #4 (Nifedipine)	2002	2002	32	1	0	0	
TBD	PK - Renal Impaired	2002	2002	75	1	0	0	
TBD	PK - Smokers	2002	2002	75	1	0	0	
TBD	PK - Geriatrics	2002	2002	75	1	0	0	
TBD	PK - Pediatric	2002	2002	75	1	0	0	
TBD	PK - Hepatic Impaired	2002	2002	75	1	0	0	
TBD	Definitive Bio - Food Effect	2002	2002	24	1	0	0	
TBD	Japan single dose / multiple dose / food effect	2002	2002	60	1	0	0	
TBD	Definitive Bio - Ph II vs. Ph. III/Commercial	2002	2002	24	1	0	0	

G0 143.010
Phase IIb Study

M99-114	Painful Diabetic Neuropathy	4/2000	2/2001	275	30	0	0	4 arms, placebo-controlled
---------	-----------------------------	--------	--------	-----	----	---	---	----------------------------

B1

ABT-594 2001 PLAN (Revised)
Clinical Studies

<u>Project/Protocol</u>	<u>Title</u>	<u>Start (Est. Date)</u>	<u>End (Last Dose)</u>	<u>Subjects</u>	<u>Sites</u>	<u>#EVR Sites</u>	<u>EVR Countries</u>	<u>Comments</u>
BP 143.014 Phase IIB Study								
MB9-115	Osteoarthritis Study	7/2001	3/2002	575	40	0	0	5 arms, placebo-controlled, ibuprofen comparator, 7-week duration, all CRFs in house 8-10 months after study start

Phase III Studies Delayed

TBD	Neuropathic Pivotal US 1	2002	2002	600	50	0	0	3 arms, placebo-controlled, no comparator, 7 week duration, all CRFs in house by 8/02
TBD	Neuropathic Pivotal US 2	2002	2002	600	50	0	0	3 arms, placebo-controlled, no comparator, 7 week duration, all CRFs in house by 8/02
TBD	Neuropathic Pivotal International 1	2002	2002	600	50	35 (est)	5 (est)	3 arms, placebo-controlled, no comparator, 7 week duration, all CRFs in house by 10/02
TBD	Neuropathic Pivotal International 2	2002	2002	600	60	35 (est)	5 (est)	3 arms, placebo-controlled, no comparator, 7 week duration, all CRFs in house by 10/02
TBD	US Open Label Ext	2002	2002	600	120	0	0	
TBD	International Open Label Ext	2002	2002	500	120	80	5	

**ABT-594 2001 PLAN (Revised)
Supplemental Assumptions**

Activity Protocol # Genetic Sampling ACPRU PK Subject on Drug PK Samples/Patient Date of Last Sample

**G0 143.010
Phase I Studies**

IMRI / human pain model	TBD	N	N	Y	12	TBD	N/A
Human Metabolism 3H	TBD	N	N	Y	5	10 (U)	11/2001
Titration Optimization	TBD	N	Y	Y	24	TBD	2/2002

Phase I Studies Delayed

Human Abuse Liability	TBD	N	N	N	30	TBD	TBD
Interaction #1 (Digoxin)	TBD	N	Y	Y	32	TBD	TBD
Interaction #2 (Rifampin)	TBD	N	Y	Y	32	TBD	TBD
Interaction #3 (Ketoconazole)	TBD	N	Y	Y	32	TBD	TBD
Interaction #4 (Midazolam)	TBD	N	Y	Y	32	TBD	TBD
PK - Renal Impaired	TBD	N	Y	Y	75	TBD	TBD
PK - Smokers	TBD	N	Y	Y	75	TBD	TBD
PK - Geriatrics	TBD	N	Y	Y	75	TBD	TBD
PK - Pediatric	TBD	N	Y	Y	75	TBD	TBD
PK - Hepatic Impaired	TBD	N	Y	Y	75	TBD	TBD
Definitive Bio - Food Effect	TBD	N	Y	Y	24	TBD	TBD
Definitive Bio - Ph II vs. Ph. III/Commercial	TBD	N	Y	Y	20 (P)	TBD	TBD
Japan single dose / multidose / food effect	TBD	N	N	Y	60	TBD	TBD

B3

B4

**ABT-594 2001 PLAN (Revised)
Supplemental Assumptions**

**Date of Last
Sample**

**PK
Samples/Patient**

**Subject
on Drug**

PK

ACPRU

**Genetic
Sampling**

Protocol #

Activity

G0 143.010

Phase IIb Study

Painful Diabetic Neuropathy	M99-114	Y	N	Y	208		
-----------------------------	---------	---	---	---	-----	--	--

BP 143.014

Phase IIb Study

Osteoarthritis Study	M99-115	Y	N	Y	460	2 + (P)	TBD
----------------------	---------	---	---	---	-----	---------	-----

Phase III Studies Delayed

Neuropathic Pivotal US 1	TBD	Y	N	Y	400	2 +	TBD
Neuropathic Pivotal US 2	TBD	Y	N	Y	400	2 +	TBD
Neuropathic Pivotal International 1	TBD	Y	N	Y	400	2 +	TBD
Neuropathic Pivotal International 2	TBD	Y	N	Y	400	2 +	TBD
US Open Label Ext	TBD	N	N	N	500		TBD
International Open Label Ext	TBD	N	N	N	500		TBD

ABT-594
2001 Assumption (Revised)
Activity Listing Attachment

Department Function	Activity Description
Toxicology	Antigenicity and juvenile rat studies and impurity evaluation.
Metabolism	Support human 3H metabolism study.
PK/Drug Analysis	Support all clinical studies as noted in assumption memo.
Stats/DM	Support all clinical studies as noted in assumption memo.
SPD	Process optimization. Proof of principle run at ChemSyn (Mitsunobu route.) Initiate process justification. Prepare impurity standards and reference lots. Repeat first of three NDA lots using Mitsunobu route.
PARD	Support, manufacture and package clinical supplies for all studies in assumption memo. Scale-up at AHP. Process optimization. Drug substance characterization. Support SPD process justification. Ongoing stability studies.
Milestones	Go/No-Go 06/01 Phase III Dose selection 08/01 End of Phase II Meetings (FDA, EMEA) 10/01 Start Phase III 02/02

b6

BUDGET SCH. 1 KETOLIDE ABT-773

PHARMACEUTICAL PRODUCTS RESEARCH AND DEVELOPMENT
 ANTI-INFECTIVE VENTURE
 ASSUMPTIONS - 2000 AUGUST UPDATE / 2001 PLAN
 PRODUCT INDICATIONS

FUNDED
BLUE PLAN

INDICATION/FORMULATION	PROJECT NO.	OBJECTIVE	TARGET DATE
KETOLIDE ABT-773	G0-207.101	Complete Phase II B Start Phase III	2Q 2000 11/00 2000
PEDIATRIC I.V.	BB-207.102	Complete of Formulation 2001/05/07	1Q 2000
12/16/00 02:29 PM L:\GROUP\BROWN\PLAN2001\BudPh01A.wk4	BB-207.102	2001 Budget Plan 2000 and 2001 Standing Funding	

12

PHARMACEUTICAL PRODUCTS 2001 PLAN
Supplemental Assumptions
KETOLIDE ABT-773

Activity	Protocol Number	ACPRU2 Sampling?	Genetic Sampling?	Samples for PK Analysis		
				Subjects on Drug	PK Samples Per Patient	Date Last Sample
				If no PK, leave these columns blank.		
G0-207101 KETOLIDE TABLET						
PHASE III STUDIES						
CAP						
CAP - Levo 500mg QD, NA/SA vs ABT-773 150mg QD or BID based on Open Label	M00-221 (M99-089)	N	No	No		
CAP - Open Label NA, EU 150mg QD vs 150mg BID	M00-219 (M00-152)	N	No	No		
CAP - Augmentin 875 TID EU vs ABT-773 150mg QD or BID based on Open label r	M00-220 (M00-151)	N	No	No		
ABECB						
ABECB -AZI 500mg QD Day 1 250mg QD days 2-5, vs ABT-773 150mg QD 5 days	M00-216 (M99-088)	N	No	No		
ABECB - Levofloxacin NA,EU 500 pats.	M00-217 (M99-143)	N	No	No		
SINUSITIS						
Sinusitis - Cefuroxime 250mg BID 10 days vs ABT-773 150mg QD or BID 10 days,	M00-226 (M00-149)	N	No	No		
Sinusitis - Open Label, NA 150mg QD vs. 150mg BID	M00-225 (M00-087)	N	No	No		
Sinusitis - Augmentin 875mg BID 10 days vs ABT-773 150mg QD or BID 10 days,	M00-218 (M00-150)	N				
PHARYNGITIS						
Pharyngitis - Penicillin 250 TID, NA,SA	M00-223 (M00-090)	N	No	No		
Pharyngitis - Penicillin 500mg TID, EU	M00-222 (M00-157)	N	No	No		
Bio-Studies						
Site 1 = Site 2 Bioequiv. 65 L = 300 L	M00-NNN	Yes	No	Yes	18	TBD
Site 1 = Site 2 Bioequiv. 300 L = 600 L Bioequiv. TBD	M01-AAA	Yes	No	Yes	24	9/00
300L=1200L Bioequiv. TBD	M01-BBB	Yes	No	Yes	24	9/00
DRUG INTERACTION						
Warfarin	M01-CCC	Yes	No	Yes	18	2/01
Digoxin	M01-DDD	Yes	No	Yes	18	2/01
Carbamazepine	M01-EEE	Yes	No	Yes	TBD	TBD
Cyclosporin	M01-FFF	Yes	No	Yes	TBD	TBD
Loratidine	M01-GGG	Yes	No	Yes	TBD	TBD

12/16/00 02:17 PM
L:\GROUP\BROWN\PLAN2001\SupPh02.wk4

PHARMACEUTICAL PRODUCTS 2001 PLAN
Supplemental Assumptions
KETOLIDE ABT-773

Activity	Protocol Number	Samples for PK Analysis					
		ACPRU?	Genetic Sampling?	PK?	Date Last		
					Subjects on Drug	PK Samples Per Patient	Sample
If no PK, leave these columns blank.							
SPECIAL STUDIES							
Hepatic (Population)	M89-126	No	No	Yes	20	22	5/04/00
Renal (Population)	M00-VVV	No	No	Yes	15	22	12/05/00
Elderly	M01-KKK	Yes	No	Yes	24	22	3/01
G0-207104 JAPAN 200MG FORMULATION							
JAPAN PHASE I							
Fed - Fasting	M00-XXX	N	No	Yes			
Dose Ranging	M00-YYY	N	No	Yes			
JAPAN PHASE II/III 4 STUDIES, 200 PATIENTS/STUDY							
	M00-KKK	N	No	No			
IV BP-207.102							
Phase I Single Rising Dose	M00-STU	No	No	Yes	60	22	9/00
Phase I Final Dose	M00-VWX	No	No	Yes	24	44	10/00
Phase I Multiple Dose	M00-1AA	No	No	Yes	24	44	1/01
Phase III CAP	M01-GGG	No	No				

L:\GROUP\BROWN\PLAN2001\SupP\02.w44

02:17:33 PM 16-Dec-00

M1

PHARMACEUTICAL PRODUCTS RESEARCH AND DEVELOPMENT
ONCOLOGY DEVELOPMENT
2001 PLAN (PASS-3) ASSUMPTIONS
OVERVIEW

<u>Indication/Formulation</u>	<u>Project #</u>	<u>Status</u>	<u>Objective</u>
Endothelial	ABT-827	FUNDED	Initiation of Phase III activity (two pivots) for treatment of Hormone Refractory Prostate Cancer
MMP1 #2	ABT-518	FUNDED	Multiple Escalating Dose in Patients with Long-Term Extension.
TSP #1 - Thrombospondin Mimetic	ABT-510	FUNDED	IND Study
Anti-Mitotic	ABT-751	FUNDED	Single Dose Study. Multiple Dose with Long-Term Extension. IND Study
			Multiple Escalating Dose scheduled to Initiate April, 2001. IND Study Phase II scheduled to start 11/01.
K5 - Kringler-5	ABT-828	UN-FUNDED	Initiate synthesis
TSP #2	TBD	UN-FUNDED	Phase I study to begin 3/02. DDC targeted 4Q/01.
FTI #2	TBD	UN-FUNDED	Assuming successful DDC, then preclinical support up to but not including Phase I. DDC targeted 2Q/01. Assuming successful DDC, then Initiate Phase I 2Q/02.

Latest Update: 12/12/00

L:\GROUP\InitiaOncology\2001 Plan\assumpt memo support.xls\OVERVIEW

**PHARMACEUTICAL PRODUCTS RESEARCH AND DEVELOPMENT
ONCOLOGY DEVELOPMENT
2001 PLAN (PASS-3) ASSUMPTIONS**

CLINICAL STUDIES

FUNDED:

PROTOCOL	Start	End	Pla.	Total Sites	Location(s)	EVR Sites	EVR Location(s)	Comments / Changes from Last Pass
GD-531-300 Endobulin ABT-527								
Phase II - Dose Ranging (Progression)	10/97	12/00	285	75	n/a	n/a	n/a	
Phase II - Long Term Exposure	1/00	12/00	300	114	n/a	n/a	n/a	
Compassionate Use	7/01	4/04	250	n/a	n/a	n/a	n/a	
Phase III - Pivotal #1	3/01	8/03	1,000	150	n/a	n/a	n/a	
Phase III - Pivotal #2	6/01	12/04	1,000	150	n/a	n/a	n/a	
Phase III - Long Term Extension	3/01	4/04	1,400	300	n/a	n/a	n/a	
Phase I - Definitive QTo bio-effect study	4/01	6/01	80	1	Ph I Center	n/a	n/a	
Phase I - Definitive HCG/REC(SGC)/ food effect study	9/01	6/01	18	1	Ph I Center	n/a	n/a	
Phase I - Drug Interaction - Fexofenadine	4/01	6/01	12	1	Ph I Center	n/a	n/a	
Phase I - Drug Interaction - Midazolam	8/01	8/01	16	1	Ph I Center	n/a	n/a	
Phase I - Drug Interaction - Ketoconazole	7/01	12/01	12	1	Ph I Center	n/a	n/a	
Phase I - Drug Interaction - Rilampin	10/01	12/01	14	1	Ph I Center	n/a	n/a	

GD-531-281 NMPI #2 ABT-518								
Phase I - Multiple Escalating Dose in Patients	2/01	1/02	40	2	Netherlands	2	Netherlands	Delayed to 2/01
IND Study	6/01	12/01	14	1	U.S.	n/a	n/a	

GD-531-240 TSP #1 - Thrombospondin Peptide (Anti-Angiogenesis) ABT-511								
Phase I - Single Escalating Dose in subjects	4/00	12/00	43	1	Netherlands	1	Netherlands	Nine total dose groups
Phase I Multiple Dose in Cancer patients w/ LT Ext.	1/01	2/02	80	2	Netherlands	2	Netherlands	
Unk. of Texas / Dr. Fidler - Animal Models	4/00	3/01	n/a	n/a	Houston	n/a	n/a	
IND Study	6/01	11/01	14	1	U.S.	n/a	n/a	

GD-531-282 Anti-MMP-2 ABT-751								
Phase I - Maximum Multiple Tolerated Dose Study	4/01	3/02	40	2	Europe	2	TBD	
IND Study	6/01	7/02	24	2	U.S.	n/a	n/a	
Phase II - Safety and Efficacy #1	7/01	8/02	30	3	TBD	TBD	TBD	
Phase II - Safety and Efficacy #2	11/01	9/02	30	3	TBD	TBD	TBD	
Phase II - Safety and Efficacy #3	12/01	10/02	30	3	TBD	TBD	TBD	
Phase II - Safety and Efficacy #4	12/01	10/02	30	3	TBD	TBD	TBD	

UN-FUNDED (BLUE PLAN in 2001):

BP-531-242 TSP #2								
No clinical studies in 2001	...	...	...	...	...	...	...	DDC delayed to 4Q/01.

BP-531-305 Endobulin ABT-527								
Phase II - Bisphosphonate	7/01	6/02	40	4	U.S.	n/a	n/a	
Phase II - Taxane Combinations	8/01	7/02	40	4	U.S.	n/a	n/a	
Phase II - Ovarian	9/01	8/02	40	4	U.S.	n/a	n/a	
Phase II - Brain	10/01	9/02	40	4	U.S.	n/a	n/a	
Phase II - Colorectal	11/01	10/02	40	4	U.S.	n/a	n/a	
Phase II - Renal	12/01	11/02	40	4	U.S.	n/a	n/a	

BP-531-201 FTL #2								
Phase I - Safety and PK, Single Dose	10/02	3Q/02	30	2	Europe	TBD	TBD	DDC delayed to 2Q/01.

Latest Update: 10/01/01
L2000P/000000000001 Print (current state) REPORT/CLINICALS

M2

PHARMACEUTICAL PRODUCTS RESEARCH AND DEVELOPMENT
ONCOLOGY DEVELOPMENT
2001 PLAN (PASS-3) ASSUMPTIONS
SUPPLEMENTAL DATA

Activity	Protocol Number	GENETIC SAMPLES V/N ?	ACPRU N/Y ?	PK V/N ?	Samples for PK/PD Analysis			Date Last Sample	Drug Packaging				
					Subjects on Drug	No. of Samples	PK		PD	Location	Pack	Trmt	
FUNDED:													
GO-531.300 Endoglin APT-527 Phase II - Dose Ramping (Progression) Phase II - Long Term Exposure Compassionate Use Phase III - Pivotal #1 Phase III - Pivotal #2 Phase II - Long-Term Extension Phase I - Definitive QTC bio-effect study Phase I - Definitive HCG/SEC(EGC) / food effect stu Phase I - Drug Interaction - Fexofenadine Phase I - Drug Interaction - Midazolam Phase I - Drug Interaction - Ketoconazole Phase I - Drug Interaction - Rifampin	M96-584	N	N	Y	265	10				U.S.			
	M97-739	N	N	Y	300	6				U.S.			
	TBD	N	N	N						U.S.			
	M00-211	Y	N	N	1,000	TBD				U.S.			
	M00-244	Y	N	Y	1,000	TBD				U.S.			
	M00-268	N	N	Y	TBD	TBD				U.S.			
	TBD	N	Y	Y	60	1,200				U.S.			
	TBD	N	Y	Y	18	468				U.S.			
	TBD	N	Y	Y	12	312				U.S.			
	TBD	N	Y	Y	16	416				U.S.			
GO-431.221 MMP1 P2 - Matrix Metalloproteinase Inhibitor APT-518 Phase I - Multiple Escalating Dose in Patients IND Study	M00-235	N	N	Y	40	320			10/01	U.S.			
	TBD	N	N	Y	14	308			4Q-01	U.S.			
GO-831.240 TSP #1 - Thrombospondin Mimetic APT-610 Phase I - Single Escalating Dose in subjects Phase I - Multiple Dose in Cancer patients w/ LT Ex. IND Study	M99-106	N	N	Y	45	660			4Q-00	U.S.			
	M00-153	N	N	N	80	1,248			1Q-02	U.S.			
	TBD	N	N	Y	14	308			TBD	U.S.			
GO-831.282 Anti-Mitotic APT-751 Phase I - Maximum Multiple Tolerated Dose Study IND Study Phase II - Safety and Efficacy #1 Phase II - Safety and Efficacy #2 Phase II - Safety and Efficacy #3 Phase II - Safety and Efficacy #4	M00-231	N	N	Y	40	840			1Q-02	U.S.			
	TBD	N	N	Y	14	308			3Q-02	U.S.			
	TBD	N	N	Y	30	TBD			TBD	U.S.			
	TBD	N	N	Y	30	TBD			3Q-02	U.S.			
	TBD	N	N	Y	30	TBD			4Q-02	U.S.			
UN-FUNDED (BLUE PLAN in 2001):													
BP-831.305 Endoglin APT-527 Phase II - Bisphosphonate Phase II - Taxane Combinations Phase II - Ovarian Phase II - Brain Phase II - Colorectal Phase II - Renal	TBD	N	N	N	40	...			...	U.S.		
	TBD	N	N	N	40	...			...	U.S.		
	TBD	N	N	N	40	...			...	U.S.		
	TBD	N	N	N	40	...			...	U.S.		
	TBD	N	N	N	40	...			...	U.S.		

Latest Update: 12/12/00
L:\GROUP\Anita\Oncology\2001 Plan\assumpt memo support.saf\PK

M3

M4

PHARMACEUTICAL PRODUCTS RESEARCH AND DEVELOPMENT
ONCOLOGY DEVELOPMENT
2001 PLAN (PASS-3) ASSUMPTIONS
BULK DRUG REQUIREMENTS - 2001

FUNDED

	SOURCE	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
Anti-Mitotic ABT-751	TPM	...	10 kg	...	...	10 kg
MMP1 ABT-518	Chem. Sci.	...	10 kg	...	...	10 kg
TSP ABT-510	SPD	...	3 kg	...	...	3 kg

UN-FUNDED

	SOURCE	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
FTW2 ABT-xxx	Chem. Sci.	...	2 kg	...	...	2 kg
K5 ABT-828	TPM	...	...	...	1 kg	1 kg

Woidat Deposition Exhibit 10

P's Exhibit RY

**Cholinergic Channel Modulator (ABT-594)
2000 AGU Development Cost Summary**

Program Status		1997				1998				1999				2000				2001				2002				2003			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Phase I																													
Phase II																													
Phase III																													
NDA filing																													
Major Development Activities and Costs																													
Clinical Program	Total Patients				Enrolled				716/00				78				Start				End				2000 AGU				
	320																Apr-00				Nov-00				\$3,000				
	Phase IIb Neuropathic Pain																								\$4,739				
	Venture Management																								\$208				
	Clinical Pharmacology Support (Drug Interaction Studies)																								\$635				
Data Management/Statistics																													
\$8,582																													
\$4,483																													
\$210																													
\$946																													
\$8,349																													
Chemistry, Manufacturing, and Controls (CMC)																													
Milestones:																													
Packaging of Phase IIb clinical supplies and Phase III																													
Formulation development and pre-scale up																													
Formulation & Analytical																													
SPD																													
Other																													
2000 AGU																													
\$1,624																													
\$706																													
\$785																													
\$2,390																													
\$2,715																													
Drug Safety Support																													
Ongoing Drug Safety support including:																													
Toxicity, carcinogenicity, and animal pharmacology studies																													
Clinical Program Support																													
2000 AGU																													
\$2,876																													
Other Support Costs																													
Discovery																													
Medical Affairs																													
Regulatory Affairs / Research Quality Assurance																													
Other																													
Total Program																													
\$14,428																													
2000 AGU																													
\$70																													
\$95																													
\$100																													
\$702																													
\$14,428																													
Key Unfunded Items																													
Phase IIb Osteoarthritis Study																													
Additional Acute Pain Study																													
2000 AGU																													
\$7,108																													
\$3,000																													
\$10,108																													
\$5,000																													
\$8,000																													

CONFIDENTIAL
ABBT0116305

ART-59d
2001 Plan Development Cost Summary[illegible]

ABB T366059

Highly Confidential

[illegible]

ABB T366059

Woidat Deposition Exhibit 11

P's Exhibit IZ



Thomas E
Woidat/LAKE/PPRD/ABBOTT
T

04/12/2001 08:48 AM

To Jennifer Dart/LAKE/PPRD/ABBOTT@ABBOTT
William A Brown/LAKE/PPRD/ABBOTT@ABBOTT, Kay
Rekau/LAKE/PPRD/ABBOTT@ABBOTT, Steve
Szostak/LAKE/PPRD/ABBOTT@ABBOTT, Karen E
cc Kerls/LAKE/PPRD/ABBOTT@ABBOTT, Mike A
Higgins/LAKE/PPRD/ABBOTT@ABBOTT, Chris G
Turner/LAKE/PPRD/ABBOTT@ABBOTT

bcc

Subject Re: Portfolio Analysis - Update with APU budgets

Hopefully the analysts already confirmed corrections for their respective projects, but here's the apu2001 funding changes that I'm aware of. Amounts below are per the Key Project Summary in the Corp APU book:

ABT-773 IV	\$0.5MM Funded (Phase I study Only)	\$7MM unfunded
ABT-492	Funding increased to \$27.8MM	Increase primarily \$3.5MM for phase IIB milestone payment
Omnicef Otitis Media	Funding decreased .1MM to \$4.8MM	
Depakote	Overall target still \$24.1MM, but numerous program reallocation of funds and two new funded studies (we already discussed, if you still need more info contact Kay)	
Kaletra	Overall funding increased \$1MM from 51MM to 52MM for stability work, I believe this would be "base"	
TSP #1	Funding increased .8MM to \$10.8MM for SPD pilot plant time and material	
MMPi	Funding decreased .3MM to 7.1MM	
Anti-Mitotic	Funding decreased .1MM to 8.3MM	
Hydrocodone	Overall Funding decreased .6MM to 3.4MM - reduction Rapid Dissolve	
ABT-089	Funding increased .3MM to .9MM	
Cox-II	Funding increased .1MM to 1.3MM	
Feno Base	Funding increased .6MM to 2.0MM (PARD support)	

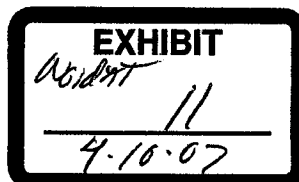
Jennifer Dart



Jennifer Dart
04/09/2001 08:11 AM

To: Thomas E Woidat/LAKE/PPRD/ABBOTT@ABBOTT, William A Brown/LAKE/PPRD/ABBOTT@ABBOTT, Kay Rekau/LAKE/PPRD/ABBOTT@ABBOTT, Steve Szostak/LAKE/PPRD/ABBOTT@ABBOTT

Highly Confidential



ABBT357615

cc: Michael A Comilla/LAKE/PPRD/ABBOTT@ABBOTT, Matthew R
 Russell/LAKE/PPRD/ABBOTT@ABBOTT, Mike A Higgins/LAKE/PPRD/ABBOTT@ABBOTT
 Subject: Portfolio Analysis - Update with APU budgets

The following schedule details the latest 2001 Plan figures gathered by Chris & I. Our last update to these budgets was in mid-February. If any of these budgets changed during the April Update process, please let me know ASAP.

Additionally, you can see in the following table the 2001 "request" for each project. I assume these are correct since the project teams just revisited this, but if you see anything that needs to be revised, please let me know immediately. If I do not hear from you, we will be working with these budgets for the April 20th Portfolio Review with Leiden.

The table can also be found in the attached file:



2001 Plan Budgets & 2001 Requests.

Franchise	Program Name	Project Title	Current Phase	2
Anti-Infect	ABT-492 (Quinolone)	IV Formulation	Phase I	
Anti-Infect	ABT-492 (Quinolone)	Japan Registration	Phase I	
Anti-Infect	ABT-492 (Quinolone)	Tablet Formulation	Phase I	
Anti-Infect	ABT-773 (Ketolide)	I.V. Formulation	Phase I	
Anti-Infect	ABT-773 (Ketolide)	Japan Registration	Phase I	
Anti-Infect	ABT-773 (Ketolide)	Tablet	Phase III	
Anti-Infect	Clarithromycin	CAP Registry Counter Resistance Threat	Launch	
Anti-Infect	Clarithromycin	CAP Stepdown	Launch	
Anti-Infect	Clarithromycin	Clari vs. Augmentin DRSP CAP	Launch	
Anti-Infect	Clarithromycin	Differentiation-Immunomodulatory Studies	Launch	
Anti-Infect	Clarithromycin	Differentiation-Mucoregulatory	Launch	
Anti-Infect	Clarithromycin	Market Enhancement	Launch	
Anti-Infect	Clarithromycin	MECAPP	Launch	
Anti-Infect	Clarithromycin	MR 1000mg Formulation	Launch	
Anti-Infect	Clarithromycin	MR Pediatric	Launch	
Anti-Infect	Clarithromycin	Phase IV Commitments	Launch	
Anti-Infect	Clarithromycin	XL-FR/GER/SWITZ	Launch	
Anti-Infect	Omnicef	AECB	Launch	
Anti-Infect	Omnicef	Otitis Media	Launch	
Anti-Infect	Omnicef	Pharyngitis	Launch	
Anti-Viral	ABT-677 (Neuraminidase)	Neuraminidase	Pre-Clinical	
Anti-Viral	Kaletra	Core Program: HIV;BID;ORAL	Phase III	
Anti-Viral	Kaletra	Expanded Access	Phase III	
Anti-Viral	Kaletra	IBHSC	Phase III	
Anti-Viral	Kaletra	Knoll Reformulation	Phase III	
Anti-Viral	Kaletra	Metabolic	Launch	
Anti-Viral	Kaletra	Phase IV PLATO	Launch	
Anti-Viral	Kaletra	Phase IV Sustiva Add on	Launch	
Anti-Viral	Kaletra	QD Program	Phase III	
Anti-Viral	Kaletra	RTV Enhanced PI	Phase III	
Anti-Viral	Kaletra	Salvage AV	Launch	

Anti-Viral	Kaletra	SEC Reformulation	Phase III
Anti-Viral	Kaletra	Special Patient Populations	Launch
Anti-Viral	Ritonovir	M96-462	Launch
Anti-Viral	Ritonovir	New Improved Formulation	Launch
Anti-Viral	Ritonovir	NICE	Launch
Anti-Viral	Ritonovir	Ritonovir Phase IV Commitments	Launch
Cardio	Darusentan	CHF	Phase II
Cardio	Darusentan	CHF & HT (Global)	Phase II
Cardio	Fenofibrate	Diabetic	Launch
Cardio	Fenofibrate	Feno Base Program	Launch
Cardio	Fenofibrate	Feno Post MI	Launch
Cardio	Fenofibrate	PM Women	Launch
Cardio	Fenofibrate	RTP Formulation	Launch
Cardio	Propafenone	Sustained Release Formulation	Launch
GI	AU-224	Chronic Refractory Constipation	Phase I
GI	AU-224	Irritable Bowel Syndrome	Phase I
GI	Ganaton	Gastric Dysmotility	Phase II
Infl Dis	D2E7	Base Program - RA	Phase III
Infl Dis	Gengraf	EU Switch Study	Launch
Infl Dis	Gengraf	Liquid Bio Study	Launch
Infl Dis	Gengraf	Pediatric PK	Launch
Infl Dis	Gengraf	PREFER	Launch
Infl Dis	Hokunalin Tape	NCE strategy	Pre-Clinical
Infl Dis	J695	Crohn's Disease	Phase II
Infl Dis	J695	Lead Indication - MS	Phase II
Infl Dis	J695	Lead Indication RA	Phase II
Infl Dis	SEGARD	Sepsis	Phase III
Infl Dis	SEGARD	US Registration	Phase II
Metabolic	ABT-822 (Bimoclonol)	Diabetic Neuropathy	Phase III
Metabolic	Sibutramine	Binge & Bulimia	Launch
Metabolic	Sibutramine	EU Reg Commitment	Launch
Metabolic	Sibutramine	Japan Registration	Launch
Metabolic	Sibutramine	Juvenile Obesity	Launch
Metabolic	T4/T3	Base Program	Pre-Clinical
Neuro	ABT-089 (ADHD)	Attention Defecit Hyperactivity Disorder	Phase I
Neuro	BSF 190555	Schizophrenia	Phase I
Neuro	BSF 201640	Schizophrenia	Phase I
Neuro	Depakote	250mg Sprinkles	Launch
Neuro	Depakote	Base Program	Launch
Neuro	Depakote	Depacon IV Acute Migraine	Launch
Neuro	Depakote	Depacon Status Epilepticus	Launch
Neuro	Depakote	Depakote ER PK Epilepsy	Launch
Neuro	Depakote	DR Community Use Study in Psychiatry	Launch
Neuro	Depakote	DR Neuroprotective Study	Launch
Neuro	Depakote	DR-ER Switch - Bipolar	Launch
Neuro	Depakote	Elderly Agitation	Launch
Neuro	Depakote	ER 100mg	Launch
Neuro	Depakote	ER 250mg	Launch
Neuro	Depakote	ER Adolescent pK Study	Launch
Neuro	Depakote	ER Adult Mania	Launch
Neuro	Depakote	Impulsive Aggression	Launch
Neuro	Depakote	New Formulations	Launch

Neuro	Depakote	Peds ER Patent Extn - Psychiatry	Launch
Neuro	Depakote	Poly Cystic Ovary	Launch
Neuro	Depakote	Psychosis	Launch
Onc	ABT-510 (TSP-1)	TSP-1	Phase I
Onc	ABT-518 (MMP1)	MMP1	Phase I
Onc	ABT-627 (Endothelin)	Combo Bisphosphonates	Phase III
Onc	ABT-627 (Endothelin)	Combo Taxane	Phase III
Onc	ABT-627 (Endothelin)	Early Stage Pca Patients	Phase III
Onc	ABT-627 (Endothelin)	Non Prostate Cancer	Phase II
Onc	ABT-627 (Endothelin)	Prostate Cancer 2 Clinical Trials	Phase III
Onc	ABT-751 (Anti-Mitotic)	Anti-Mitotic	Phase I
Onc	ABT-828 (K5)	K5	Pre-Clinical
Other	DDC	#4	Pre-Clinical
Other	DDC	#5	Pre-Clinical
Other	DDC	#6	Pre-Clinical
Pain	ABT-594	Chronic Persistent Pain	Phase II
Pain	ABT-594	Neuro Pain	Phase II
Pain	ABT-963 (COX-II)	Pain and Osteo	Phase I
Pain	Dilaudid	IR + CR (EU & Canada)	Launch
Pain	Hydrocodone	Controlled Release	Launch
Pain	Hydrocodone	RAPID Dissolve	Launch
Thrombo	Cilvarine	Cardiology	Launch
Thrombo	Cilvarine	Hemodialysis	Launch
Thrombo	Cilvarine	Oral Formulation	Launch
Thrombo	PEG Hirudin	Hemodialysis	Phase II
Uro	ABT-598 (KCO)	Base Program	Pre-Clinical
Uro	BSF 420627	BPH	Phase I

Franchise	Program Name	Project Title	Current Phase	Project Type	Project Goal	2001 Plan	2001 Request
Anti-Infect	ABT-492 (Quinolone)	IV Formulation	Phase I	Dev	Formulation		1.5
Anti-Infect	ABT-492 (Quinolone)	Japan Registration	Phase I	Dev	Other		0.5
Anti-Infect	ABT-492 (Quinolone)	Tablet Formulation	Phase I	Dev	Indication	24.5	24.5
Anti-Infect	ABT-773 (Ketolide)	I.V. Formulation	Phase I	Dev	Formulation		7.5
Anti-Infect	ABT-773 (Ketolide)	Japan Registration	Phase I	Dev	Other		4.0
Anti-Infect	ABT-773 (Ketolide)	Tablet	Phase III	Dev	Indication	88.0	88.0
Anti-Infect	Clarithromycin	CAP Registry Counter Resistance Threat	Launch	Mktg	Publication	1.6	1.7
Anti-Infect	Clarithromycin	CAP Stepdown	Launch	Mktg	Other	0.9	0.9
Anti-Infect	Clarithromycin	Clari vs. Augmentin DRSP CAP	Launch	Mktg	Publication	1.0	1.7
Anti-Infect	Clarithromycin	Differentiation-Immunomodulatory Studies	Launch	Mktg	Publication	0.9	0.9
Anti-Infect	Clarithromycin	Differentiation-Mucoregulatory	Launch	Mktg	Publication	0.4	0.5
Anti-Infect	Clarithromycin	Market Enhancement	Launch	Mktg	Other		0.4
Anti-Infect	Clarithromycin	MECAPP	Launch	Mktg	Publication	1.0	0.9
Anti-Infect	Clarithromycin	MR 1000mg Formulation	Launch	Mktg	Formulation		3.2
Anti-Infect	Clarithromycin	MR Pediatric	Launch	Mktg	Indication		7.2
Anti-Infect	Clarithromycin	Phase IV Commitments	Launch	Mktg	Other	2.3	1.9
Anti-Infect	Clarithromycin	XL-FRUGER/SWITZ	Launch	Mktg	Other	8.8	5.9
Anti-Infect	Omnicef	AECB	Launch	Mktg	Publication		4.4
Anti-Infect	Omnicef	Otitis Media	Launch	Mktg	Publication	4.9	5.0
Anti-Infect	Omnicef	Pharyngitis	Launch	Mktg	Publication		5.8
Anti-Viral	ABT-677 (Neuraminidase)	Neuraminidase	Pre-Clinical	Dev	Indication		18.6
Anti-Viral	Kaletra	Core Program: HIV-BID ORAL	Phase III	Mktg	Indication	32.5	32.8
Anti-Viral	Kaletra	Expanded Access	Phase III	Mktg	Other	5.3	6.9
Anti-Viral	Kaletra	IBHSC	Phase III	Mktg	Publication	1.5	2.2
Anti-Viral	Kaletra	Knoll Reformulation	Phase III	Mktg	Formulation	2.8	2.8
Anti-Viral	Kaletra	Metabolic	Launch	Mktg	Publication	1.0	1.0
Anti-Viral	Kaletra	Phase IV PLATO	Launch	Mktg	Publication	6.0	6.0
Anti-Viral	Kaletra	Phase IV Sustiva Add on	Launch	Mktg	Publication	0.6	0.6
Anti-Viral	Kaletra	QD Program	Phase III	Mktg	Publication		3.7
Anti-Viral	Kaletra	RTV Enhanced PI	Phase III	Mktg	Publication		8.3
Anti-Viral	Kaletra	Salvage AV	Launch	Mktg	Publication		2.8
Anti-Viral	Kaletra	SEC Reformulation	Phase III	Mktg	Formulation	1.3	1.0
Anti-Viral	Kaletra	Special Patient Populations	Launch	Mktg	Publication		1.5
Anti-Viral	Ritonovir	M96-462	Launch	Mktg	Publication	0.9	0.9
Anti-Viral	Ritonovir	New Improved Formulation	Launch	Mktg	Formulation		2.6
Anti-Viral	Ritonovir	NICE	Launch	Mktg	Publication		1.0
Anti-Viral	Ritonovir	Ritonovir Phase IV Commitments	Launch	Mktg	Other	3.1	3.5
Cardio	Darusentan	CHF	Phase II	Dev	Indication		10.5
Cardio	Darusentan	CHF & HT (Global)	Phase II	Dev	Indication		27.0
Cardio	Fenofibrate	Diabetic	Launch	Mktg	Publication		1.1
Cardio	Fenofibrate	Feno Base Program	Launch	Mktg	Other	1.4	1.8
Cardio	Fenofibrate	Feno Post MI	Launch	Mktg	Publication		1.0
Cardio	Fenofibrate	PM Women	Launch	Mktg	Publication		1.5
Cardio	Fenofibrate	RTP Formulation	Launch	Mktg	Formulation		4.5
Cardio	Propafenone	Sustained Release Formulation	Launch	Dev	Formulation		9.3
GI	AU-224	Chronic Refractory Constipation	Phase I	Dev	Indication		5.0
GI	AU-224	Irritable Bowel Syndrome	Phase I	Dev	Indication		
GI	Ganaton	Gastric Dysmotility	Phase II	Dev	Indication		8.0
Infl Dis	DZE7	Base Program - RA	Phase III	Dev	Indication		99.3
Infl Dis	Gengraf	EU Switch Study	Launch	Mktg	Publication	1.3	0.9
Infl Dis	Gengraf	Liquid Bio Study	Launch	Mktg	Formulation	0.2	0.3
Infl Dis	Gengraf	Pediatric PK	Launch	Mktg	Publication		0.5
Infl Dis	Gengraf	PREFER	Launch	Mktg	Publication	1.0	1.1
Infl Dis	Hokunalin Tape	NCE strategy	Pre-Clinical	Dev	Indication		0.4
Infl Dis	J695	Crohn's Disease	Phase II	Dev	Indication		1.5
Infl Dis	J695	Lead Indication - MS	Phase II	Dev	Indication		1.1
Infl Dis	J695	Lead Indication RA	Phase II	Dev	Indication		8.0
Infl Dis	SEGARD	Sepsis	Phase III	Dev	Indication		11.9
Infl Dis	SEGARD	US Registration	Phase II	Dev	Indication		
Metabolic	ABT-822 (Bimoclomol)	Diabetic Neuropathy	Phase III	Dev	Indication		10.3
Metabolic	Sibutramine	Binge & Bulimia	Launch	Mktg	Indication		3.2
Metabolic	Sibutramine	EU Reg Commitment	Launch	Mktg	Other		0.7
Metabolic	Sibutramine	Japan Registration	Launch	Mktg	Indication		6.4
Metabolic	Sibutramine	Juvenile Obesity	Launch	Mktg	Indication		3.0
Metabolic	T4/T3	Base Program	Pre-Clinical	Dev	Indication		9.3
Neuro	ABT-089 (ADHD)	Attention Deficit Hyperactivity Disorder	Phase I	Dev	Indication	0.6	5.0
Neuro	BSF 190555	Schizophrenia	Phase I	Dev	Indication		5.0

Neuro	BSF 201640	Schizophrenia	Phase I	Dev	Indication		2.5
Neuro	Depakote	250mg Sprinkles	Launch	Mktg	Formulation		1.8
Neuro	Depakote	Base Program	Launch	Mktg	Other	8.9	8.9
Neuro	Depakote	Depacon IV Acute Migraine	Launch	Mktg	Indication		0.6
Neuro	Depakote	Depacon Status Epilepticus	Launch	Mktg	Indication		0.6
Neuro	Depakote	Depakote ER PK Epilepsy	Launch	Mktg	Formulation		1.0
Neuro	Depakote	DR Community Use Study in Psychiatry	Launch	Mktg	Other		1.0
Neuro	Depakote	DR Neuroprotective Study	Launch	Mktg	Publication		1.9
Neuro	Depakote	DR-ER Switch - Bipolar	Launch	Mktg	Publication		1.1
Neuro	Depakote	Elderly Agitation	Launch	Mktg	Publication	4.8	3.0
Neuro	Depakote	ER 100mg	Launch	Mktg	N/A		0.6
Neuro	Depakote	ER 250mg	Launch	Mktg	Formulation	2.7	2.7
Neuro	Depakote	ER Adolescent pK Study	Launch	Mktg	Other		1.2
Neuro	Depakote	ER Adult Mania	Launch	Mktg	Indication		1.6
Neuro	Depakote	Impulsive Aggression	Launch	Mktg	Publication	2.3	2.3
Neuro	Depakote	New Formulations	Launch	Mktg	Formulation	1.6	1.6
Neuro	Depakote	Peds ER Patent Extn - Psychiatry	Launch	Mktg	Other		0.6
Neuro	Depakote	Poly Cystic Ovary	Launch	Mktg	Other	0.4	0.4
Neuro	Depakote	Psychosis	Launch	Mktg	Publication	3.4	3.4
Onc	ABT-510 (TSP-1)	TSP-1	Phase I	Dev	Indication	10.0	10.5
Onc	ABT-518 (MMPi)	MMPi	Phase I	Dev	Indication	7.4	9.4
Onc	ABT-627 (Endothelin)	Combo Bisphosphonates	Phase III	Dev	Indication		
Onc	ABT-627 (Endothelin)	Combo Taxane	Phase III	Dev	Indication		
Onc	ABT-627 (Endothelin)	Early Stage Pca Patients	Phase III	Dev	Indication		
Onc	ABT-627 (Endothelin)	Non Prostate Cancer	Phase II	Dev	Indication		3.0
Onc	ABT-627 (Endothelin)	Prostate Cancer 2 Clinical Trials	Phase III	Dev	Indication	38.8	41.8
Onc	ABT-751 (Anti-Mitotic)	Anti-Mitotic	Phase I	Dev	Indication	8.4	8.4
Onc	ABT-828 (K5)	K5	Pre-Clinical	Dev	Indication		8.8
Other	DDC	#4	Pre-Clinical	New DDC	Indication		3.0
Other	DDC	#5	Pre-Clinical	New DDC	Indication		2.0
Other	DDC	#6	Pre-Clinical	New DDC	Indication		1.0
Pain	ABT-594	Chronic Persistent Pain	Phase II	Dev	Indication		3.2
Pain	ABT-594	Neuro Pain	Phase II	Dev	Indication	9.3	17.2
Pain	ABT-963 (COX-II)	Pain and Osteo	Phase I	Dev	Indication	1.2	3.0
Pain	Dilaclid	IR + CR (EU & Canada)	Launch	Dev	Formulation		6.5
Pain	Hydrocodone	Controlled Release	Launch	Dev	Indication	2.2	2.2
Pain	Hydrocodone	RAPID Dissolve	Launch	Dev	Indication	1.8	1.8
Thrombo	Clivarine	Cardiology	Launch	Mktg	Indication		3.3
Thrombo	Clivarine	Hemodialysis	Launch	Mktg	Indication		0.5
Thrombo	Clivarine	Oral Formulation	Launch	Mktg	Formulation		4.0
Thrombo	PEG Hirusin	Hemodialysis	Phase II	Dev	Indication		21.7
Uro	ABT-598 (KCO)	Base Program	Pre-Clinical	Dev	Indication	5.0	4.5
Uro	BSF 420827	BPH	Phase I	Dev	Indication		5.0
						300.0	697.5